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ABSTRACT

This document contains two articles by Johan Galtung presented as papers at an international conference on the relationship of technology to the environment and human needs. The monograph is part of a series intended to stimulate research, education, dialogue, and political action toward a just world order. The first paper, "Towards a New International Technological Order," focuses on the negative consequences of western technology for the culture and social structure of developing nations. A major problem is that western technology carries with it a code of economic, social, cultural, and cognitive structures which are often not easily integrated into non-western nations. The second paper, "The New International Economic Order and the Basic Needs Approach," explores the political conflicts and compatibilities between the theory of the New International Economic Order (based on improving trade between developing and developed nations) and the Basic Needs approach (based on the fulfillment of basic needs at the individual level). The article concludes with the recommendation that people responsible for foreign policy in developing and developed nations and in international organizations should seek to combine elements of the two theories so that true human and social development take precedence over political objectives. (DB)

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The North/South Debate: Technology, Basic Human Needs and the New International Economic Order

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This paper is one in a series of working papers commissioned by the World Order Models Project in its effort to stimulate research, education, dialogue, and political action which will contribute to a movement for a just world order. The papers will deal with major global problems facing humanity, and particularly vexing contemporary political, economic, social, and cultural issues within an analytic and normative framework guided by the concepts and values of peace, economic well-being, social justice, and ecological stability. Special emphasis will be given to the necessity and feasibility of structural transformation of today's fragmented world in order to resolve these problems and achieve just world order results.

A Working Group of the World Order Models Project (WOMP) will use these papers in its new program aimed at publishing a statement in 1980 outlining the strategies for realizing just world order during this century. We invite interested individuals throughout the globe to respond to the various papers either directly to the individual authors or to WOMP. These communications will figure significantly in the WOMP Working Group's final statement. Where appropriate, the responses and critiques will be published in *Alternatives: A Journal of World Policy*.

WORLD ORDER MODELS PROJECT

Centre for the Study of Developing Societies (Delhi, India)

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PREFACE

This working paper is comprised of two articles originally presented at the Poona conference of the World Order Models Project in conjunction with the project's Working Group on Technology, Environment, and Human Needs. Both are concerned with the struggle to achieve humane development through strategies aimed at eroding the North's economic and technological dominance of the South. The first article focuses on the negative consequences of western technology in Third World culture and development. The second compares assumptions and implications contained in the New International Economic Order with those embodied in the basic needs strategy. Together these articles contribute to a strategic framework for understanding and promoting economic and social development, consonant with values for a just world.

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INTRODUCTION

Giant forces are at work in the world today. Five hundred years of Western colonialism are coming to an end with surprising speed. The fight against Western political possession of other nations is, practically speaking, concluded. Yet political decolonization has not changed patterns of Western economic dominance to any appreciable degree. So the fight against Western economic penetration of other nations is very m ch real and very much needed—and it is being carried on. In a surprisingly short time, parts of the Third World (the large countries such as Mexico, Brazil, India, and a number of small countries in East and Southeast Asia) have become able to compete with the West (including Japan) on its own terms, producing for the world market as well as for themselves (in fact, they often produce more for the world market than for themselves). This then is the prediction. Sooner or later the non-West as a large external sector to the Western economy, will become closed to the West or only accessible on equal terms—terms to which the West is not accustomed.

But nothing is quite so simple. Whenever there are forces at work in anything human or social, counter-forces will emerge. In addition, there will be side-effects, more or less unforeseen at first, that eventually become as real as the original effects. It is the phenomena of counter-forces and side effects associated with development, which will be explored in this working paper.

The basic point made is quite simple: there is a factor missing in assessments of the fight against Western imperialism; namely the *cultural aspect* which includes the whole Western ethos, especially capitalism. What in fact seems to be occurring is that in its struggle against the West, the non-West has become—possibly had to become—very much like the West. Perhaps one must become somewhat like the antagonist in order to fight effectively. Or is it rather that the West has been extremely efficient in its cultural penetration, for there are, of course, ways of fighting without taking on the colors of the enemy: withdrawal, non-cooperation, Gandhian ways where one seeks total autonomy, not trying to beat the antagonist on his own terms but by establishing one's own terms.

But as is so often said, the non-West has become Westernized—particularly its elites (but by no means only them). One of the mechanisms of "Westernization" is the workings of technology. This argument goes far beyond the rather trite observation that traditional technology tended to be labor-intensive while Western technology is capital-intensive. Rather, Western technology can be shown item for item to be the carrier of the whole Western *Weltanschaung*. Stated simply, once that technology becomes the basis of a country's mode of production, even if some non-Western features are preserved in the social organization, it will work from the inside out,

imparting to people with even the most exotic colors (as seen from the West) a kernel of Western society. Thus, the *New International Technological* (or scientific) *Order* is a very basic instrument of Western penetration that will persist long, long after the last remnant of Western economic penetration is gone. Of course, lip-service is being paid to "upgrading" traditional technologies, but this is all seen in narrow economistic terms since an export-orientation is stressed more than self-reliance. With such a narrow perspective the conclusion is foregone.

Similarly, the *New International Economic Order* (NIEO) is a part of the picture of Westernization; again, a giant force, a tidal wave not to be argued with, but clearly a formula under which Western type capitalism can be spread more symmetrically over the world. Given its anti-imperialist rhetoric, the NIEO will succeed and probably should succeed. But there should be no illusions about what that means. Most concretely, it means a replication within the non-West of what happened in the West: industrialism as a way of controlling labor by creating very concentrated ownership of the means of production which keeps an expanding elite at the same material level as their Western counterparts. Maybe this is the real meaning of "catching up," or "closing the gap": *that elites catch up with elites*. But it should be kept in mind that until recently, Western elites have had the whole world to exploit for their benefit; elites in Third World countries will have considerably less, particularly those from small states that are unable to establish some pattern of unequal exchange with other Third World countires. The common people in those countries are in for a tougher time than ever in the years ahead, maybe for generations to come.

This is the point at which *the basic needs approach* enters the picture, in a dialectic both with the technological and the economic order. No doubt it is an effort to draw a solid line at the bottom, a line that no economic and technological order should fail to respect. And it is equally beyond doubt that the very concept can be co-opted and put at the disposal of the rich and powerful in promoting the very "orders" it is designed to avoid. A minimum level for the poor becomes a pretext for the rich to accumulate even more and a pretext for the powerful to manipulate the poor by investing in them, building them up as a market, and so on. This may be the way in which the West fights back; that is, by increasing the market in the non-West by promoting concepts of "minimum level" which in practice are tantamount to creating "effective demand" for maybe one billion or more people in the world market. The basic point for the West would be to get these people out of the subsistence sector and into the market where they can also, ultimately, be better controlled politically.

Nobody would say that all of this is a premediated scheme designed to catch and exploit further the world's poor. Rather, the structure of the system

is so strong that it simply turns out that way, regardless of even the best intentions. This, of course, is one more reason for trying to understand the nature of the forces at work in this realm, especially their counter-forces and side-effects.

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TOWARDS A NEW INTERNATIONAL TECHNOLOGICAL ORDER*

Johan GALTUNG†

The main thesis of the paper is that technology is not merely a mode of production and therefore neutral; it carries within it a code of structures – economic, social, cultural, and also cognitive. The economic code that inheres in Western Technology demands that industries be capital–intensive, research–intensive, organization–intensive and labour–extensive. On the social plane, the code creates a 'centre' and a 'periphery', thus perpetuating a structure of inequality. In the cultural arena, it sees the West as entrusted by destiny with the mission of casting the rest of the world in its own mould. In the cognitive field, it sees man as the master of nature, the vertical and individualistic relations between human beings as *the* normal and natural, and history as a linear movement of progress. The transfer of Western technology is thus a structural–cultural invasion, which is not clearly seen as such partly because it is not accompanied by the West's physical presence (as in the days of colonialism), and partly because the fragmentation inherent in Western technology fragments the perception of the total picture. For techniques that create different structures to come into their own, a very clear perception of the interlocking of technology and structures is needed. Also needed is the political will to use alternative technologies as an instrument to bring about a structural change.

I. Introduction

The United Nations Conference on Science and Technology for Development (UNCSTD) took place in Vienna in August 1979, sixteen years after the first UN Conference on 'Science and Technology for Development'. In an epoch when the flow of history seems to be faster than before – with perhaps more eddies, waterfalls and swift currents than

*Revised version of paper presented at the World Order Models Project (WOMP) Conference, Poona (India), 2–10 July, 1978. The first draft was discussed at the seminar on 'Technology, Science and Development in the Changing International System' convened by the Research Policy Program, Lund University, Lund (Sweden), 31 May–2 June, 1978. A second version was presented at the Internationales institut fur Umwelt und Gesellschaft, Berlin–West, 12 June, 1978. The author is indebted to the participants of all the conferences for their comments.
†*Goals, Processes and Indicators of Development Project, UNU, Geneva; Internationales Institut für Umwelt und Geselschaft, Berlin–West.*

before – much will have happened during this period. It is important to identify some of these trends – they cannot but have at least some impact on such major undertakings as UNCSTD[1] – besides the obvious environmental factors.

First, and most importantly, the power position of the Third World countries is quite different in 1979 from what it was in 1963. One might argue about the reasons: an increased self–confidence among Third World élites born of the cumulative experience since the major decolonization breakthroughs around 1960; the basic change in the terms of trade of one commodity for at least some countries (oil) around 1973–1974; the defeat of the last Western power, the United States, in Vietnam with the fall of Saigon on 30 April, 1975; and the new well–orchestrated demand for the restructuring of the world economy summarized as 'the New International Economic Order' (NIEO). Whatever the reasons, the power relations are no longer the same and will never be the same again – the relations, that is, between countries and regions, not necessarily within countries.[2]

Second, a critical awareness, a scepticism bordering on pessimism, about science has come about in the West. It was probably not so clearly felt in 1963. It is not yet a clear trend; there are ups and downs. But the general faith in science as the key to a solution of most human problems is probably undergoing a rather significant decline. The enrolment in colleges of engineering and natural science faculties might serve as a barometer here. From the rock–bottom it touched in the early 70s there was an upward trend, which subsequently flattened out and which now perhaps shows a decline. The time span, however, is too short to draw any definitive conclusion. At the philosophical–epistomological level, the attitude to science takes the form of basic criticism; at the more popular level, the form is open scepticism. The two levels interact at least to some extent.[3]

Third, there is a corresponding feeling about technology, particularly the technology developed in the West. It has not passed unnoticed that, while there is more technology in our lives than ever, major social problems do not seem to be any more tractable than before. On the contrary, it seems that the

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[1]The importance of listing the major discontinuities in thinking and practice between the two conferences was summed up by Professor E. Naraghi, Tehran; but his list of these discontinuities and mine are slightly different.

[2]For an analysis of the likely impact of the New International Economic Order, see Johan Galtung, 'Poor Countries versus Rich; Poor People versus Rich: Whom will NIEO Benefit?', *Self–Reliance and Global Interdependence* (Ottawa: CIDA, 1978); also available as *Papers*, No. 62, from the Chair in Conflict and Peace Research, University of Oslo.

[3]For analyses of the deep pessimism with regard to science in the more 'developed' regions of Europe as compared to the optimism encountered in the less developed parts and in India in a *ten*–nation study, see Ornauer, Sicinski, Wiberg, Galtung (eds.), *Images of the World in the Year 2000*, (Mouton, 1976).

main problems of modern industrialized societies have developed because of modern technology and not in spite of it: mental illness, cardio–vascular diseases and cancer – all seem to be related to stress and the last two also to pollution. Both stress and pollution are peculiar to societies built on modern technologies.[4] Whether these assertions are scientifically tenable or not is beside the point; what is important is that such assertions are increasingly believed. People continue seeking the fruits and benefits of modern technology insofar as it is labour–saving and brings comfort, but scepticism persists; there is ambivalence rather than simple enthusiasm; the honeymoon with modern technology is over. What can be called 'social pathologies' – changes in disease pattern, arrest of the increase in life expectancy, mounting criminality, all having a rate of growth between 4% and 9% per year in the major industrialized countries[5] – have been noted, although the total picture is not much spoken about. Admittedly, this can be attributed to factors other than modern technology, but it is tempting to relate it to such a key *force motrice*. Admittedly, 'technology' is used here in a broader sense, not restricting the concept to tools, skills and know–how, but also including the structures – between countries and regions, within countries, and between people – needed for a technology, whether of production or of consumption, to be operative. It may be argued that this is a trick: to relate techniques to social pathologies, an intervening variable social and cognitive structure, is interspersed. But it is not so; for techniques cannot operate except through the medium of social structures, and knowledge cannot be developed and/or imparted without a cognitive matrix capable of embedding that particular type of knowledge. Moreover, the structures serve as filters in the sense that only those techniques that are compatible with the structures will be accepted as seriously deserving of socially relevant research and development; those that run counter to the dominant structures will at best remain marginal as something for peripheral groups, and at worst be eliminated as archaic or even as dangerous.[6]

Fourth, Western industrialized countries no longer seem to be attractive as development models. They reigned supreme in the early 60s. But between the two conferences their image suffered, owing, no doubt, to the rise of China as an alternative model. It was not so much a question of whether the Chinese model was accepted or not as of the empirical existence in

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[4]For an analysis of this relationship, see Johan Galtung, *Development, Environment and Technology* (Geneva: UNCTAD, 1978), ch. 3.

[5]See Johan Galtung and Monica Wemegah, 'Overdevelopment and Alternative Ways of Life', Summary Paper from the GPID/UNU/SID Alternative Ways of Life Conference, Geneva, 21–24 April, 1978, presented at the SID North–South Roundtable, Rome, May 18–20, 1978.

[6]These points are discussed in some detail in Galtung and Wemegah (f.n. 5), ch. 5. Also see B. Persson and P. G. de Montho, *Filters – Limits to Technological Choice*.

China of something different. The Western mode of development no longer stands out as development *per se*, but as *one* of several alternatives with its positive and negative aspects.[7] It should be remembered that to many people westernization was identical with development, which was based on economic growth and which was seen as *natural* just as body growth is seen as something that must happen to the human organism.

Is such scepticism directed against the West, both in its 'capitalist' and 'socialist' versions, a carry-over from the past animosities against powers exercising capitalist or social imperialism? Is there a feeling that it would be impossible to bridge the gap and really become like those models, either because the gap is too wide or because the methods the Western countries have used are no longer available, impossible to use or totally immoral? Or is the feeling based on the idea that it is undesirable to imitate the Western models? If the rejection is on the ground of undesirability, then it is clearly not based on much experience of the social pathologies of the Western countries; they are, by and large, unknown to the Third World. Nor can the rejection be based on hard knowledge of, or insights into, the interaction between Western science/technology and Western development patterns; for even where there is scepticism in the Third World about Western societies, enthusiasm for Western science and technology nevertheless seems to prevail.

In other words, there seems to be a split in the cognitive process which seperates Western science and technology, on the one hand, and of Western society, on the other, but with a vague notion that it might be given to the Third World to put the former to a better use without having to face the same deplorable side-effects. This is a well-known technique to avoid cognitive dissonance!

In a sense, this is an outcome of the West's ability to propagate its particular form of science and technology as universal without qualifying them with the civilizational/cultural/ethnic term 'Western' or some equivalent. As a matter of fact, the 'qualifying' adjective most in use in the West is 'modern', which, together with its implicit and explicit universalism, well expresses the Western arrogance in these matters. But it facilitates cognitive dissonance resolution by permitting non-Westerners to be against the West for any number of reasons and yet be *for* its science and technology. This goes a long way towards underpinning the thesis of universalism, making it look more symmetric, and thus side-stepping the need for recognizing that there are other technologies in this world.

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[7] For an attempt to spell out the Chinese development model in structural and cultural terms, for the period 1966–1976, see Johan Galtung and Fumiko Nishimura, *Learning From the Chinese People* (Georgi, 1977).

Curiously enough, the failure to analyse the structural aspects of technologies is characteristic also of Marxist thinking in this field – contrary to what one would have imagined; for Marxism, more than any other orientation, should sensitize analysts to the relation between techniques and structure, between means and modes of production. Alexander Szalai of the Karl Marx University of Economic Sciences in Budapest comes close to seeing the obvious fact that 'modern' technologies do reinforce class differences, without saying so:

> As a consequence of the up–to–date conditions of production and the inordinately costly investment in new high–capacity productive equipment *it became necessary* to introduce two– or three–shift and even continuous utilization of the work force (day and night turns comprising even week–ends). This was often extended to fairly great masses of workers without having previously considered and analysed what kind of changes should have been brought about in the various social institutions and services.*

What kind of changes? For one, 'whether workers' homes had adequate shutters, blinds, curtains to darken the bedroom in the daytime'. (Szalai:14). So, 'it became necessary'? For what? To use technology as an excuse when 'there are problems arising from the fact that husband and wife are working different shifts'? (Szalai: 14).

A good example of the shallowness of the characterization of Hungary as 'socialist' when such aspects appear as side–effects or, rather, as surprise–effects! It is also interesting that solutions are offered in terms of 'shutters', 'blinds' and 'curtains'; in other words, the technology is not challenged, only the 'side–effects' are attempted to be muffled.

This paper may well be taken to be in the tradition of the West raising a warning finger and putting up danger signs on the road on which a part of the Third World has already started travelling and on which the other is about to embark. This raises the question of the politics of the warning finger. Two probable hypotheses can and should be stated immediately: (i) Although presented as material for the enlightened self–interest of the person warned, the warning, if heeded, may also be very much in the interest of the warner; (ii) Partly for that reason, but mainly because of the paternalism involved in the warner–warned relationship, the warnings have a tendency not only to go unheeded but also to be counterproductive. They become encouragements rather than warnings.† To the question whether the warning against technology would tend to be one more confirmation of either or both hypotheses, the answer will probably have to be Yes to either. Nevertheless,

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*Alexander Szalai, 'Social Side–effects of the Introduction of New Technologies', Paper presented at the VIII World Congress of Sociology, Toronto, August 1974.

†This is particularly true if the warner himself does not heed in action his own warning and never seems to tire of the science and technology he warns against. Deeds always communicate better than words.

it is difficult not to issue such a warning in spite of the very poor record the West has in influencing developmental trends in the Third World.

What we have in mind goes beyond the well-known ways in which economic imperialism is operating. We are more concerned about the way in which new ideas are introduced so as to serve, deliberately or not, old purposes – for instance, such slogans as 'environment', 'basic needs', 'cultural diversity' and 'self-reliance'. All these slogans can be seen as the foundation on which development in a very genuine sense can be built. But they can also be seen from another angle. What they stand for can be translated in capsule form as follows: respect for nature; respect for the genuine needs of human beings, particularly for those most in need; respect for the fine fabric of culture; and self-reliance, i.e. developing and using one's own forces and factors, and not profiting at the expense of others. These are excellent principles indeed;[10] but the Third World can, with full right, say: 'If they are so excellent, why did you in the West not practise them? What purpose does it serve in bringing them up now except to deter the Third World from pursuing patterns of development that promise to make them strong competitors of the First and Second Worlds in the world market of goods, services and power?' Does this not apply also to the debate about technology? No doubt there are technologies that are good for building strong people. But, usually, they are not the same technologies. Why should the Third World go in only for the latter kind when the West itself did not do so in similar phases of development? Is all such talk about technology anything more than simply one more item on the list of Western efforts to prevent former colonies from becoming serious competitors? [11]

To this there is no simple answer. The allegations against the West – e.g. of hypocrisy, not practising what it preaches – are true, and they do not refer only to the past but also to the present. The people in the West who consciously, and in action, show respect for the environment, basic human needs (material and non-material), cultural diversity (particularly in respect of the ethnic minorities in the West) and for self-reliance – people to whom these four principles serve as guidelines for developing technologies – are few and marginal, at least so far. And the accusation of duplicity – taking a humanitarian stand with a clear non-humanitarian purpose – is one that

[10]Both the International Foundation for Development Alternative in Nyon, Switzerland, and the Goals, Processes and Indicators of Development Project of the United Nations University are built around such themes; all of them are also embedded in the Cocoyoc Declaration of 1974. (For one presentation of the text of that declaration, probably about ten years ahead of its time, see *Development Dialogue*, 1975.)

[11]The point can be taken further: the insistence on modesty and frugality for the Third World makes it easier for the First World to continue abusing the resources of the Third World, growing raw materials for its own industry on Third World soil, cutting down forests, mining mountains and oceans for resources, etc.

should be taken seriously. The record of the West proves the general accuracy of such an accusation. The problem, however, is that accusing the West of hypocrisy and duplicity does nothing to improve the quality of Western technology; the problem still persists! Hence, we must look into the characteristics of Western technology.

II. Some characteristics of Western technology

We refer to the technology in question as 'Western' for the very simple reason that, regardless of the roots that may be said to be universal, the technologies we are discussing have been developed mainly in the West and have spread from the West to other parts of the world with or without modifications. By 'West' we refer not so much to a geographic as to a civilizational area. But it is not important to the delimit the area in exact terms for the present purpose.[12]

Using the very felicitous phrase developed by Amulya Reddy,[13] we can see Western technology as the *carrier of a certain code* built into the structure induced by the techniques. In other words, we conceive of technology as techniques plus structure. The techniques have hardware components (tools) and software components (skills and knowledge). The structures are mainly of two kinds: economic and social, on the one hand, and cognitive (i.e. deep–lying assumptions about reality), on the other.[14] The assumption is simply this: whenever a technique is developed, deployed and/or transferred, a structure is built irrespective of whether it is a technique for production, distribution or consumption. Hence, we shall use the term technology with the understanding that technology is never 'politically neutral', and that it always carries a code which is expressed in the structure, social and/or cultural, accompanying it. Thus, the family vehicle, car, carries a message: it says something about the size of the unit that can travel in the car with comfort and, hence, something about the size of the family. The car does not only limit the family to a maximum of three children; it also indicates the structure of the family – with the parents in front and the children at the back, the father being the instrumental leader turning the wheel, the mother watching, commenting, taking care of the internal relations in the car, the boy peeping over the shoulders of the father to learn the

[12]For a more explicit statement about 'Western civilization', see Johan Galtung, Tore Heiestad and Erik Rudeng, 'On the Last 2500 Years in Western History', *The New Cambridge Modern History*, ch. 13 in Vol. 13, 1979.
[13]See Amulya Reddy's article in CERES.
[14]For details, see Johan Galtung (f.n. 5), ch. 1.

tricks, the daughter sitting behind the mother doing likewise. The car is an expression of a certain attitude to other human beings (regulated competition) and to nature (depleting and polluting nature but running away quickly from the scene).

Without going into details, let us split the code into three parts: economic, social and cultural. The economic code can be expressed in terms of factors. The formula would be that Western technology tends to be capital–intensive, research–intensive, organization–intensive and labour–extensive. As to its impact on nature, it is difficult to have a uniform view. Modern electronic industry, for instance, does not necessarily deplete 'nature', meaning raw materials for direct material or energy purposes. However, economistic reasoning in terms of abstract factors does not carry us very far. Often it makes much more sense to say 'capitalist–intensive', 'researcher–intensive', 'manager–intensive' and 'worker–extensive', referring, in other words, to human beings rather than to 'factors'. Putting it this way, one may see more clearly what Western technology is all about. It lays the basis for a mode of production that calls increasingly on the skills of capitalists (specialists in financial matters), researchers (specialists in predictive general laws) and managers/ bureaucrats/ administrators (specialists in prescriptive general laws) more than on workers. One can put it another way: Western technology leans more on the social elites than on the industrial proletariate; it may even be seen as a way in which industrial proletariate can be eliminated. One way in which this shows up is, of course, in the all too visible increase of the tertiary sector and in the decrease of the secondary sector of the Western employment structure.[15] Yet another way of saying this would be to point out that Western technology can only be put to use where there is a sufficient concentration of capital/capitalists, research/researchers and organization/managers – and this would, in general, be in the capital of a country. Given the scarcity of these factors and the necessity of concentrating them in a relatively small number of spots, the injection of Western technology inevitably tends to increase tremendously the existing inequalities.

Now for the social code. The description very often used in this connection is that Western technology is dependency–forming. This is no doubt correct. Once the technology has been implanted, an everlasting demand structure is created for spare parts, more knowledge and skills and for new technologies. This much is well known and obvious. But it is also important to realize that

[15]It should be noted that statistics dividing the 'active population' according to primary, secondary and tertiary sectors show an increase in almost all countries in recent years, but even more so in the First World countries. Moreover, since the tertiary sector covers anything from the shoeshine boy to the head of state, passing through the bureaucrats, capitalists and researchers, it is a mixed bag indeed, comprising both 'service' and 'serviced' sectors.

the same pattern is replicated, as in a system of Chinese boxes, within countries – in general, between the centre and the periphery. It should be further pointed out that the notion of 'verticality', as the general aspect of structures accompanying Western techniques which are built into the technologies, goes much further and is much richer. It is not only a case of the command positions being retained by those at the centre for their material and non–material enrichment, e.g. for the accumulation of profits by selling the work product of scientists and technicians as commodities (the price paid being referred to as fees, under the headings of patents, licences etc.) and by reserving the most important and innovating tasks for the centre because of the virtual centre monopoly on the means of intellectual production. In this process, the centre conditions the periphery by impressing its tastes on the latter and by defining what products are worth producing and consuming (i.e. the products it is possible to produce with the techniques given). The conditioning in the opposite direction is very marginal indeed. The centre constitutes an inner 'core, marginalizing the rest and turning them into 'factors of production' and clients who perform the roles of consumers.

It is also worth noting that Western techniques of production and consumption tend to be fragmenting in the sense that they can be carried on without much interaction or mutual help between the producer and the consumer. Workers in a factory may be tied together with the visible and invisible ties of that particular form of organization, but they are not necessarily in direct interaction of mutual dependence. The same applies to consumption. For instance, two persons watching TV are tied together by that medium, but they are not necessarily watching together in the sense of interacting. Further, Western technology tends to be segmenting: people participate in it with only a small part of their personality, often referred to as specialization or compartmentalization. Thus, Western technology tends to drive wedges between and even within people. This much is often written about and commented on. But what is even more important is that there is a total picture, a total pattern, which on other occasions I have referred to as the 'alpha-structure'.[16] My thesis is that all this is built into Western technology.

It may be objected that this type of analysis is too structuralistic and that it should be accompanied by an analysis in more concrete terms: Who are actually the people at the centre of this structure? It seems fair to say that they are the same people we pointed to in the preceding analysis of the economic code carried by Western technology, i.e. the specialists in finance, research and administration. In general terms, these are the key categories

[16]See footnote 15.

in what is loosely referred to as the 'tertiary sector'; they occupy the upper rungs of the social ladder inside that sector.

The basic point in this approach to technology can now be formulated: It is not that technology happens to induce structures of this type by chance; it is, rather, that the structure produces, filters out and accepts only the techniques that will be accompanied by such structures, thereby reinforcing the structures themselves.[17] Any technology that demands less in terms of finance, research and administration will constitute a threat to specific groups of people. If, in addition, it is more horizontal in the sense of inducing less difference between the centre and the periphery, is less conditioning of the periphery, less marginalizing, fragmenting and segmenting, they fear that the general power of the centre over the periphery will be reduced.

Today, it looks as if China is an important case for those who want to study the structural aspects of technologies. If the Cultural Revolution was about anything, it was exactly about building production patterns that would be less vertical. The people's communes were a particularly important instrument in this regard; they are less dependent on finance, research and administration, and they use techniques that can be more integrative, inducing more togetherness, more general participation, more mutual conditioning and, indeed, bringing about more equity within and between communes and between units inside the communes. But this could not possibly take place except at the expense of the power of certain groups: the state capitalists (the private capitalists having been eliminated as a class at an earlier stage), the researchers/professionals/intellectuals, the bureaucrats – and to this one might add the top military people and the top party people as two particular élites closely related to the other three.[18]

It can be guessed that the five groups of élites did not like to see their power base eroded, regardless of whether this was done with or without violence, with or without personal humiliation (in the event, probably

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[17]See Daniel Thery, In 'L' industrialisation: imitation ou innovation', *Revue 2000*, No. 34, 1976, pp. 33–38. Daniel Thery gives eight examples of alternative technologies, among them those of biogas, the bamboo tubewell and imaginative uses of bicycles. For all these there are indications of local creativity the moment there is no longer any dependency on local bureaucrats, capitalists and/or researchers, '... ces faits démentent les théses communement répandues sur l'inertie des petits fermiers et leur résistance au progrés téchnique (p. 36). What is quite clear, however, is how exactly the élites resist such initiatives. To take another example: Cain, Afshar, Norton and Mohammed-Reza Daraie point out in their article 'Traditional Cooling Systems in the Third World' (*The Ecologist*, Vol. 6 no. 2, pp. 60–64) how effective ancient cooling systems such as the porous water jar (the 'Maziara') are, keeping water cool throughout the day even when the outside temperature fluctuates between 19°C and 36°C. But what gains would there be for the financier–researcher – administrator combine in a system as simple as that? Or for the oil companies which make profit on producing the electricity that is used in mechanical refrigeration?

[18]For more details, see Johan Galtung (f.n. 7), last chapter 'China After Mao'.

without much violence but with much personal humiliation). As far as one can judge, they did not wait long after the death of Mao Tse–tung to hit back, and the rest of the story since his death is to a large extent the story of basic technological change, meaning (re–) introduction of techniques that can more properly be described as Western in the sense of inducing the particular economic and social profiles delineated so far. In other words, the struggle – in fact, the fight – about which technology to use is essentially a political struggle about power, about the steepness of the centre–periphery gradient of the society, and about who shall be in the centre and who on the periphery.

The blindness of one particular social science, 'economics', to such aspects of production, distribution and consumption should make one venture the hypothesis that the major social function of that science is exactly to mask the real relationships between people. Marxism did much to lift that veil, but not enough. There was and is in Marxism far too much concentration on ownership patterns – a very special and juridical aspect, as Marx himself points out. There is not enough about exactly what should be the strong point in Marxist analysis: the relation, often contradictory, between means and modes of production (Marxism, incidentally, also has relatively little to say about consumption). In a sense Marxists are worse off than others, for they are led to believe that a change in ownership patterns is not only a necessary but also a *sufficient* condition for more basic changes to take place.

We come now to the cultural or civilizational codes. The ideas which generated Western technology constitute a certain cosmology, an implicit way of viewing the world in general and society in particular.[19] Without going into details, five components of Western cosmology that are of significance may be mentioned: (i) the tendency to see geographical space in centre–periphery terms with the West as the centre; (ii) the tendency to see time as linked with progress, increasing in a linear, and preferably in an exponential manner; (iii) the tendency to think of reality in terms of units abstracted from the whole, of which they are parts, and relate them to each other causally and mechanically so that changes in one will imply changes in the other; (iv) the tendency to see vertical and individualistic relations between human beings as the normal and the natural; and (v) the tendency to see man as the master of nature, with unlimited rights. These tendencies are not always explicitly formulated as open ideologies; they go deep, constituting the basis for defining something as normal and natural and something else as abnormal and unnatural.

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[19]For a fascinating analysis in a historical perspective, see Lynn White, Jr., 'Technology Assessment from the Stance of a Medieval Historian', *Technological Forecasting and Social Change*, 1974, pp. 359–369.

Western technologies are taken as normal and natural insofar as they are compatible with the above tendencies. They become normal and natural if there is dependency on a Western centre, if they produce more and more, if they are based on analytic rather than holistic insights, and if they engender man–over–man and man–over–nature relationships. Technologies which fall short of these criteria, or which oppose these criteria, are seen as strange, quaint, 'romantic' (a very important term in the vocabulary of those who defend Western technologies), and they are rejected.[20]

The total picture, thus, is one of transfer of technology as structural and cultural invasion, an invasion possibly more insidious than colonialism and neo–colonialism, because such an invasion is not always accompanied by a physical Western presence; often not even the élites with allegiance to the West are to be found anywhere. The invasion thus becomes entirely acceptable to the élites who reject the West in all its aspects – except its technology. It is these élites that will meet in late August 1979 in Vienna for the UNCSTD.[21] No doubt UN conferences can serve to articulate problems; but our simple thesis is that they can articulate only those problems over which there is sufficient dissent in the conference room itself. As for the UNCSTD (roughly speaking, a conference of national delegations, i.e. élites interested in preserving the internal power structures cemented by the technological structures described earlier), there will be articulation about the terms of transfer, not about the nature of what is transferred.[22]

We shall round off the picture with the environmental factors. The accusation against Western technology is that it tends both to pollute and to deplete

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[20]The debate over energy forms for the future, now that the Western plunder of the Middle East is coming to an end, is a good example here. From the point of view of the three élites mentioned earlier, nuclear energy syste ns stand out as ideal; for they are impossible without a high–level supply of heavy bureaucracy, capital and research. However, it must not be presented that way; so the decision to build the future around nuclear energy has to come as a 'rational' decision. It is made to appear rational by a biased choice of competing systems (in fact only one, coal), and by a limited spectrum of criteria (e.g. economic efficiency).

[21]Volker Rittberger discusses UN conferences in an excellent paper for the Lund Seminar: 'The New International Order and United Nations Conference Politics: Science and Technology for Development as an Issue Area'.

[22]For a remarkable effort to tackle this problem and build more genuine articulation into the UNCSTD exercise, see the series of *The Lund Letter on Science, Technology and Basic Human Needs* (Notes on Preparations for the 1979 United Nations Conference on Science and Technology for Development), starting with No. 1, July 1977 (issued about every three months). Together with Stefan Dedijer's. *The Failure of the 1978 UN Conference on Science, Technology and Development*, Offprint Series No. 2, Research Policy Program (University of Lund), they give us one side of the sociology of a conference. The other side of UNCSTD, one can assume, is that of a vain secretariat, unable to accept that type of criticism and advice, trying to fend it off by characterizing the critics as marginal. And yet, it is safe to assume that future historians of UNCSTD and similar conferences will say: 'If only they had managed to overcome hurt vanity and had paid more attention to such critics!'.

non–renewable resources. It also tends to have a very deep impact on the level of maturity of eco–systems, both at the micro and the macro levels.[23]

How is it possible not to see all this? The reason is very simple. It is that the fragmentation induced by Western technology tends to fragment the total image of Western technology. Some emphasize the environmental aspects, some only look at the economic factors, particularly the capital costs; others look at the social factors, and some others still are primarily concerned with the compatibilities or incompatibilities between Western technology and endogenous cultures. Only very rarely are these fragments put together to produce a relatively total picture of the type attempted in the preceding pages. But even if such a total image becomes more visible, it would still not constitute a sufficient basis for mobilization against Western technology. It may lead to consciousness–formation, but not necessarily to political action.

This is so because there is a second factor at work. It can be argued that even if everything said so far is true, it still does not add up to the total picture. The total picture must include the good features of Western technology. If that technology did not have any good aspects, the West itself would have given up that technology (unless, of course, one assumes that Western people are all fools or masochists). In short, there must be something to Western technology since it is so vigorously embraced, in spite of all the noises emanating from the citadels of the West itself saying that it is not good. Perhaps the noise–makers are like a millionaire telling the destitute that 'money is not everything in this world', or like the over–educated double Ph.D. telling the illiterate: 'Believe me, I am sure you are a wiser person than I am.'

III. Will Western technology have the same positive effects in the Third World as in the West?

The position taken in this paper is certainly not that Western technology is all bad or that it cannot bring any benefits whatever to the Third World. We concede that there are highly capital–intensive projects that, when properly evaluated, can have rather positive effects. One example of this is the communication and transportation facilities between peripheral points in a Third World country (or in any country for that matter), although transportation/communication facilities between the capital and the periphery have more mixed consequences as they tend to be the media through which the centre exercises more control and also resorts to more

[23] See Galtung (f.n. 4), ch. 3.

exploitation of the periphery. Then there are health schemes (particularly in the field of preventive medicine) that are based on capital, research and organization; these have ensured that life expectancy at the age of four is no longer too different in the developed and the developing countries.[24]

Labour-saving devices do eliminate excessively heavy, dirty, degrading and monotonous work, except that monotony is then re-introduced by the way industrialized modes of production tend to organize work. Western technology also generally provides comfort by way of ensuring protection of the human body and psyche against the less pleasant aspects of nature. It is possible to argue that this has led to overdevelopment, at least for some segments of the population in Western countries, inasmuch as they are over-protected from all types of heavy work (including the 'heavy work' of walking); over-protected but, because of the distance from nature thus created, in some ways, more vulnerable. It can be counter-argued that, since there is an interval between underdevelopment of most Third World countries and the overdevelopment in some parts of Western countries, the validity of the above argument is problematic (except for certain élites, usually located in Third World capitals where the same phenomenon may already be present).

Much more important, however, is a different argument. It is generally assumed today that the high living standard in the First World has been achieved and sustained at the expense of the Third World. It has also been possible for the First World to have a high level of equality because it has exported its own periphery to the Third World, which today takes the concrete form of export of jobs to the Third World, thereby cutting labour costs by something like 90%.[25] Patterns of exploitation no longer possible inside the First World countries can be perpetrated in the Third World through a new international division of labour.[26]

To repeat this trick with a technology that is inherently periphery-forming, the Third World needs to have a fourth world to exploit. It can be said that this is already being done by the Third World élites in the capitals, using the rest of the country as the fourth world. But this raises the question who the fourth-worlders can exploit. The answer is *Nobody*. There

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[24]The difference between the life expectancies at birth is, of course, high, as may be gathered from the general development literature. The infants and small children are the major victims of underdevelopment in that sense.

[25]The best work available on this topic is Otto Kreye, Jürgen Heinrichs and Folker Fröbel, *Die Neue Internationale Arbeitsteilung* (Hamburg: rororo aktuell, 1977).

[26]There are two major methods: the import of foreign workers to carry out menial jobs no longer wanted by local workers (e.g. garbage collection), and the export of jobs to places where workers, less mobilized politically and willing to accept much lower wages, are easily available for such jobs.

is no extra fifth world around; the process runs out of worlds – unless some exploitable celestial body is discovered.

Secondly, although the material conditions of Third World workers may not be too different from those of the First World workers as described by Marx in the last century, there are some important differences. Technology has 'progressed' further. The transition from electro–mechanical to electronic industry has made the vertical division of labour, the conditioning, the marginalization, the fragmentation and segmentation even more pronounced, thus making the worker even more of a robot.[27] This raises the question whether the worker will not soon be replaced by robots simply because robots are less troublesome and offer better returns. It should also be remembered that the Third World, the global countryside, is also being increasingly exposed to the same type of industrialization process, producing commodities for First World markets rather than goods for subsistence.

Let us reformulate these arguments. Western technology is inherently periphery–forming. It does deliver goods and services, an astounding variety of them, but at a cost: it is hard on people and hard on nature. The techniques always induce externalities, largely positive for the centre insofar as creativity is demanded from the few, but primarily negative for the periphery because of the sacrifices demanded from the many and from nature. To the Western way of running the world, this is natural (normal), and so the world is, or should be, like that. Colonialism was one expression of it, capitalism is another, Western technology is yet another. To internalize the positive and externalize the negative factors is what the system is about. From pushing the negative externalities on their own masses, the Western centres seem to be increasingly successful in pushing them onto the Third World.

This leads to the all–important conclusion that this state of affairs will not change if the same technologies are put to use inside the Third World. The externalities will still be highly unequally distributed. It is rather unlikely that the First World will accept the negative externalities by doing jobs for the Third World, contributing only raw nature and underpaid workers and being relegated to the periphery, and thus committing cultural suicide. So, some Third World countries, their masses and nature will have to carry the burden. Because of the built–in structure, the technology itself will *force* the stronger Third World countries to start exploiting the weaker ones, and the élites to exploit the masses and overtax nature. This is a necessary condition for that technology to be operative. It is not that this is a mere possibility;

[27] Kreye *et al.* make this one of the key conditions for the new international division of labour, the other being the lower transportation costs making it economical to produce far away from the markets (although a local market close to the production site is no objection).

it is already happening.[28] Thus, the adoption of Western technologies by the Third World (i) will not help the masses in these countries, (ii) will lead to a situation where the masses cannot be exploited further, and (iii) put the Third World at the end of the road where there is nobody left to exploit.

IV. Some criteria for the selection of technologies[29]

Given the type of critique of Western technology presented above, what should be the criteria that can and should be used in order to minimize, or completely avoid, the more deleterious aspects of that technology? What are the questions that should be asked of any technology, the guide–lines that should steer the work of scientists and technicians concerned with real development? One such proposal is tabulated below:

(1) BASIC NEEDS SATISFACTION:
- — does it directly or indirectly (over a short period) contribute to the satisfaction of such basic needs as food, clothes, shelter, health, education, transportation/communication?
- — does it produce goods and/or services accessible to those most in need?

(2) FACTOR DEVELOPMENT:
- — does it use local factors optimally over time?
- — does it generate employment?
- — does it develop medium and high–level skills, engineering and R&D capabilities and use them for the purposes of further technological development?
- — does it save/generate capital?

[28] The Third World countries to watch are those capable of investing abroad, such as Mexico, Brazil, Nigeria, Saudi Arabia, Iran, India, and the four mini–Japans, viz. South Korea, Taiwan, Hong Kong and Singapore. At the moment, the sub–imperialist model is probably no longer applicable; these countries may start exploiting other Third World countries not on behalf of the classical imperial countries (the US, the UK, Japan etc.) but on behalf of themselves, although probably not if this exploitation is at odds with the interests of the 'mother' countries.

[29] This section is based on a presentation made at a UNEP seminar on selection of technology, Nairobi, September 1976. I am indebted to other participants in the seminar, particularly to Amulya Reddy, its able chairman, and to Surendra Patel of the UNCTAD Division for Transfer of Technology.

— does it save/generate raw materials including energy?
— does it generate more appropriate technologies?
— does it increase the capacity to produce on a sustained cumulative basis over time?

(3) STRUCTURAL DEVELOPMENT:
— does it reduce dependence and promote self–reliance (autonomy combined with selective exchange on an equitable and solidarity basis and with mass participation) at the local/national/regional levels, enabling the society to follow its own path of development?
— does it reduce inequalities
(a) between occupational, ethnic, sex and age groups?
(b) between rural and urban communities? and
(c) between (groups of) countries, especially in the field of scientific and technological capabilities?

(4) CULTURAL COMPATIBILITY:
— does it make use of, and build on, endogenous technical traditions?
— does it blend with/enhance valuable elements and patterns in the local/national/regional culture?

(5) HUMAN ENRICHMENT:
— does it lead to creative involvement on a mass basis by being accessible, comprehensible and flexible?
— does it liberate human beings from boring, degrading, excessively heavy or dirty work?

(6) ECOLOGICAL BALANCE
— does it minimize depletion and pollution by using renewable resources through built–in waste minimization, recycling and/or re–use and blend better with existing eco–cycles?

— does it improve the material and man–made environment by providing for a higher level of complexity or diversity of the eco–system, achieving balance?

In the list of criteria proposed in the Table, the broad headings 'economic', 'social' and 'environmental' are used. It is in the nature of such lists to generate more controversy than consensus, potentially leading to a fruitful process of adding to, subtracting from and modifying the items. Such a process is a part of consciousness–formation. The present list derives its rationale from the current thinking and practice in the field of eco–development.[30] Development is seen as 'development of human beings, not of things'; it is interpreted as the satisfaction of material and non–material needs. The prefix 'eco–' stands, not only for countering depletion and pollution, but also for building a stronger environment. These are the broad criteria which have to be taken into account in arriving at decisions not only for the selection of technologies, but also for the processes that generate these technologies. It needs to be emphasized that the weight assigned to each criterion, or a combination of criteria, must be determined in each individual case with as wide a participation as possible of persons directly involved in implementing them or affected by their implementation.

The purpose of laying down criteria for the selection and development of technologies is to broaden the base for decision–making in this field. This is crucial for any progress in the field of eco–development. The relative weight given to these criteria will vary from place to place and over time, but by making the criteria explicit we have ensured that at least some consideration is given to each. There is a very important qualitative difference between, say, ignoring completely the extent to which a technology builds self–reliance and considering the factor of self–reliance by giving it low or high weight but conceding that the technology chosen does not meet the criterion. In the first case, the decision–making agenda remains closed in that direction; in the latter case, the item is at least on the agenda, forcing a consideration of the issue. In so doing, the criteria may potentially serve to increase the level of joint economic/social/environmental consciousness, not only among policy–makers, but also among scientists, engineers and technicians,[31] and, above all, in the population at large. There is a general

[30] For a good introduction to the topic of eco–development, in English, see the special issue on Eco–development, edited by Bernhard Glaeser, of *Vierteljahresberichte, Probleme der Entwicklungsländer*, No. 70, 1977, from the Forschungsinstitut der Friedrich–Ebert Stiftung.
[31] For an effort to explore ethical problems confronting any scientist from the point of view of basic needs, see Johan Galtung, 'Science and Neo–colonialism' in *Papers on Methodology* (Copenhagen: Ejlers, 1978), ch. 5.

need for increased technological consciousness in the populations of most countries. This will generate demands on those who deliver the technologies; popular inventiveness itself will make them accountable in terms of such criteria.

An adequate and generally acceptable methodology of selection, based on criteria such as these, does not exist today. One reason for this may be that excessive specialization and professionalization have led to such diverse approaches in economic, social and environmental sciences that we do not even possess a common language adequate for comparisons across disciplinary borders, leave alone a common unit of measurement. There is need for a general development in these disciplines and need also for the growth of transdisciplinary approaches warning against any methodology that tends to exclude criteria not yet qualified, possibly because they are intrinsically non–quantifiable (this is particularly true of some of the social criteria). Whatever can be quantified should be quantified; for whatever cannot be quantified, 'rules of thumb' can often be developed – e.g. the judgement of a qualified group of those affected one way or the other by the decision as to whether the technology is 'positive', 'indifferent/unclear', or 'negative' in its consequences along that particular dimension. Whether quantitative or qualitative, the net outcome of such considerations would be a profile for any given technology. It should be in favour of simultaneous rather than sequential evaluation of the profile lest sequential decision–making should (i) knock out, in the first filtering process, technologies which, in their totality, may have highly redeeming characteristics; and (ii) play up to narrow specialization, disciplinary or otherwise, instead of fostering the type of broad overview and approach that simultaneous evaluation would tend to foster. In such an evaluation, there would still be room for making a criterion an absolute condition (in the sense that if it is not met the technology in question is out), but only after giving the technology a chance by looking at the total profile.

Criteria such as these should not be interpreted in a passive, static way or used as yardsticks for the selection of existing technologies (from a set of alternatives). They must be applied in an active, dynamic way, as a heuristic method leading to the development of new technologies. Few technologies today will meet all the criteria, but this should encourage the quest for ever more appropriate and environmentally sound technologies, not merely to a trade–off between criteria. Since the social and environmental criteria are the ones that have received the least attention so far, the concrete consequence of adopting such lists of criteria as general guide–lines will probably be to generate new technologies rather than to evaluate already existing ones, provided the criteria are used in a constructive spirit, opening new sources of inspiration in technological innovation.

Even with a much higher level of consciousness and inventiveness, including popular participation, it is obvious that there will always be technologies which do not meet all the criteria. The criteria relating to local self–reliance, human enrichment and cultural compatibility may often best be met by technologies related to relatively small–scale industries and more limited economic cycles. In such settings, environmental criteria may also be easily satisfied. Many of the economic criteria may possibly be best met by technologies associated with large–scale industries and extended economic cycles, sometimes operating at the national, sometimes at the regional and sometimes even at the global levels. Hence, the criteria should be seen as a guide for a better mix of more appropriate technologies operating at the various levels, in different and in the same sectors of goods and services (e.g. in the fields of food production, or medical care). In some countries, this should lead to a strengthening of technologies at the local level; in others, it should strengthen other levels. What such a mix means is that there is no all–out rejection of 'Western' technology or all–out acceptance of 'traditional' technologies. The criteria, when used constructively, can do much to modify and develop further 'Western' and 'traditional' technologies alike and, moreover, generate new technologies that cannot be placed in either category. In so doing, it will be recognized that the unit of selection and modification/development is not the technology itself as narrowly conceived with its hardware and software components. The total structure and process related to it become the unit of selection. Consequently, the selection process becomes a part of the general social dialogue that is the very stuff of the human liberation processes.

Without one–sidedly extolling the virtues of the local and the shortcomings of the higher levels of production/consumption, it must be pointed out that the thrust of the total approach would be to strengthen the local level. Predictably, this will lead to resistance from groups with a vested interest in the higher levels. Such groups include not only those engaged in centralized decision–making and resource–control (including the control over capital), but also scientists and researchers in general. Science tends to be universalistic, searching for general solutions; central administration tends to look for nationally standardized solutions; and capitalistically run enterprises tend to be both expanding and centralizing. All this leads to a considerable harmony of interest between these three groups, not only at the national, but also at the regional and global levels (including intergovernmental agencies).[32] Modes of retaining and redirecting scientific research – to mention but one activity – to make it more relevant for, and sensitive to, the local level and to

[32]Indeed, the harmony between all these actors, or limited, disciplined disharmony, is an essential precondition for all these organizations to function.

local participation would therefore be an important ingredient in any action programme devoted to the objective expressed in the criteria. This means blending scientists and villagers in ways unknown today.[33]

V. Some proposals for joint action

Given this kind of situation where, on the one hand, there is a well developed technology with many built–in dangers and, on the other, there is a quite explicit list of wishes, desiderata, but not many technologies that meet them, what can be done? More particularly, what can be done in a joint cooperative manner, involving both the North and the South, the First, the Second, and the Third Worlds, and preferably in a multilateral, perhaps a UN, setting? The following are five broadly phrased proposals in that direction:

First, the basis of technology assessment should be broadened. In addition to the economic and environmental criteria, we should also add more explicitly the social and cultural dimensions. Assessments should be made public, including warnings. If it is possible to reduce smoking in industrialized countries, at least among middle–aged males, by means of a campaign where prospective buyers of tobacco products are warned that they may be 'dangerous to your health', it should also be possible to reduce some of the abuses of technologies by issuing warnings to the effect that they may be dangerous to individual as well as social 'health'. It would be interesting to see what conclusions joint North–South commissions working on such problems might arrive at. It is quite clear, though, from past experience that the problem is not whether the composition of the commission is international, but whether it is sufficiently interdisciplinary, whether it includes a sufficient number of perspectives on technology, and also whether it includes people who are not intellectuals and who, for that reason, do not have our *deformation professionelle.*

Second, there is the task of developing together technologies that meet the requirements better – for instance, those listed in the foregoing Table. In doing so, there should be a very good basis for North–South cooperation on an equal footing. The South can contribute deep insights into traditional technology; the North can provide what has been developed recently and what is very quickly being developed in the field of alternative technology.

[33] Yash Pal, in his contribution to the 25th Pugwash Conference, Madras, 13–19 January, 1976, 'Alternative Development Strategies for Developing Countries', makes a strong plea for scientists and technicians to work with the people in the villages, and also reminds us that 'appropriate science and technology is not necessarily archaic science and technology'.

Thus, an economic profile that might emerge would include the type of technologies that are nature–extensive, capital–extensive, labour–intensive, research–intensive and organization–extensive.[34] In other words, the major inputs would be labour and research, work and ingenuity. It may well be that recent advances in new ways of producing foodstuffs, based on a much broader utilization of natural eco–systems, would fall into this category.

One objection to this may be that research would probably be carried out in the North and work executed in the South. The problem, then, would be to find ways of transcending that type of contradiction. One place where this can probably be done might be in communes established in northern Europe, typically staffed by highly educated intellectuals with considerable research training and skills, but also very willing to engage in manual work. This would be another example of how structures may produce techniques if the consciousness and the political will are present. When these two important factors are not present, the techniques will induce structures, and human beings will be conditioned by those structures.

Third, to develop a new mix if different types of technologies, whether they are referred to as Western/non–Western, alpha/beta or whatever. This is very much a field in search of not only practice but also of theory. How much and what should be given to Western technology to produce, how much and what to other types? Again, this is a field where North–South cooperation can be on an equal footing. As long as that 'cooperation' is about conditions of transfer of Western technology, it is obvious who has the upper hand. But in the political wish for more equitable relations, North–South is an expression of structure. That structure should itself serve to regulate the composition of the mix so that more equal relations can be obtained. For this to happen, much political skill is needed. It will not be easy to produce the necessary willingness to let the opponents of 'modern' technology in the North, and in the South as well, have as much say as the very vociferous proponents already command.

Fourth, the possibility of more transfer of technology the other way around, from the South to the North, needs to be explored. The argument in favour of this would not, in general, be in terms of the transfer of traditional technology of the South. Such technology would usually be as unsuited to the North as Western technology is to the South.[35] The only condition under which such transfer would be possible would be the reverse of the condition

[34] I am indebted to Bernhard Glaeser for sensitizing me to this combination, particularly important in the field of locally self–reliant rural technologies with an initial high research input (such as new developments in the biomass field, in the coupling of algae dams to biomass converters, etc.).

[35] Thus, much traditional technology, e.g. in the field of medicine, is so interwoven with religion (indeed, the effort to separate the two analytically is in itself very Western) that Westerners would probably feel rather alienated.

that has obtained in the world; this means 500 years of domination of the South over the North preparing the ground. This condition not obtaining, what is of interest today is more openness in the North to consider new ways of developing 'mixes'. One interesting example of this is how Japan, a country, which one century ago would have been classified as belonging to the 'Third World', was able to build a buffer around Western technology, encasing it in a social structure somewhat different from the Western one.[36] Today there is transfer of technology from the North to the South and the beginnings of technical cooperation between the South and South (TCDC). It is high time some patterns of transfer of technology from the South to the North emerged.

Fifth, what about channels of transfer of technology other than those most prevalent today, or about a dialogue on technology? When we say transfer 'from the North to the South', it is actually a non–valid metaphor; in fact, it is a transfer from certain groups in the cities of the North to certain groups in the cities of the South. It is urban–urban cooperation, which leads one to ask the question what rural–rural cooperation might look like. What would happen if a more direct dialogue and cooperation were to take place between rural communites – for instance, communities which try to become more self–reliant, whether they are located in southern Tanzania or nothern Norway?[37] Today they may articulate demands or needs imposed upon them, but the channel through which a dialogue and possible cooperation can take place would be the negotiating élites drawn mainly from the two capitals concerned, in bilateral or multilateral settings. Needless to say, the world communication structure is made in such a way as to steer cooperation that way, away from those that potentially might benefit most from direct contact.

VI. Conclusion

The general thesis of this paper can now be stated in one sentence: Techniques are accompanied by structures, and these structures eventually decide which techniques will be seriously researched, developed and deployed. The

[36] In sociological terms, the Japanese structure combines the universalism of the Western (and not only the Western) approach with the diffuseness of the traditional approaches in patterns in which workers and functionaries are treated very 'objectively', but with a wide spectrum of their persons taken into account, unlike in the West where it is very narrow.

[37] To our Knowledge, the closest approach in the world today to this kind of idea is the UNU project directed by Chandra Soysa from the Marga Institute in Colombo, Sri Lanka, 'Sharing of Traditional Technology'.

structures steer the techniques once they have become sufficiently well rooted. Techniques that induce very different structures will tend to be rejected, left undeveloped, or marginalized as things to be indulged in by small, peripheral groups. For these techniques to come to the forefront and dominate the social picture, a highly conscious attitude to the interplay between techniques and structures is needed. Also needed is the political will to change the structures and use alternative techniques as one instrument in this structural change. That political will is not easily brought into action when everything seems to proceed relatively smoothly. It is absent when the negative effects of the technologies can, by and large, be pushed onto others within and outside the country and even to other regions.

From this it would follow that it is mainly during crises that a major change of techniques will take place. In other words, it will come about when the dominant structure is sufficiently weak. Thus, there has never been such a lively debate about alternative technologies in the West as during the oil crisis.[38] If that type of a crisis situation were to return, it is likely that the movement towards alternative technologies will be given even further momentum, not only in terms of new technical innovations, but also in terms of social practice. Thus, we may very well end up with the following situation: As the crisis broadens and deepens in the West,[39] the search for alternative technologies and for better mixes will be intensified. This may possibly lead to much more felicitous combinations in the West. At the same time, the wave of Western technology will have continued unabated into the Third World, enriching the few and impoverishing the many, materially as well as non–materially. So, once more, the West may end up with the better part of the deal.

[38]A personal experience: living in a high–rise appartment with absolutely no other heating possibilities than oil–fueled burners in the basement, it stimulates thinking when I read the janitor's note on the bulletin board to the effect that the temperature will be lowered by one degree per day (late fall 1973, Oslo, and a very cold winter too).

[39]See Galtung (f.n. 2) and Galtung, Heiestad and Rudeng (f.n. 12).

THE NEW INTERNATIONAL ECONOMIC ORDER AND THE BASIC NEEDS APPROACH*

Johan GALTUNG†

The article explores, without claiming to do so in depth, the important political conflict that is shaping up between two 'Grand Designs' in development theory and practice: the New International Economic Order (NIEO) and the Basic Needs (BN) approach, each of which has to be studied in relation to the other. It analyses the two aspects of the debate – the *issues* and the *parties* – which are common to all conflict situations, and then goes on to examine if and how far the two theories are compatible, mutually contradictory, or conflicting.

Introduction: the universe of discourse

First, a few words by way of definition. The New International Economic Order (NIEO) stands for a new way of ordering the international economic system so as to bring about, first, improved terms of trade between the present-day centre and periphery countries (in other words, the First World and the Third World countries); secondly, more control by the periphery over the world economic cycles that pass through them (the controls to include nationalization of natural resources, soil, processing facilities, distribution machinery, financial institutions, etc.); and, thirdly, increased and improved trade between the periphery countries themselves.

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To be sure, there are other ways of listing the issue areas of NIEO.[1] But the three characteristics listed above are related directly to the world structure,[2] and they bring into sharp focus the specific changes sought to be made in that structure.

Very crucial in the evaluation of NIEO at the international level – which is the level at which it is intended to work – is the relative weight assigned to the first and the remaining two components. If the first predominates, the present structure may get frozen, though possibly at a higher level so far as the income of the periphery countries is concerned. This is already visible in the petroleum-exporting countries, which may be said to be the first to strike out for NIEO (without consensus, it is true, but after years of negotiation and discussion). There is now in these countries more money at the disposal of those who usually dispose; how exactly it is disposed of is instructive (on luxury consumer goods, capital goods for industrialization and sophisticated weapons).[3]

If, however, the other two components predominate, the present world structure might be changed, the industrial capacities of the Third World countries might increase, and the centre–periphery trade might decrease (in relative terms) while that between the Third World countries increases. According to the World Bank, the increase in manufacturing production in 1961–1965 was 8·7% in the developing countries and 6·2% in the industrialized countries; in 1966–1973, the corresponding figures were 9·0% and 6·2%; and in 1974–1975 the increase was 4·5% in developing countries and –4·7% in industrialized countries.[4] In the sphere of trade, however, the expectation that it would increase between the Third World countries has not been borne out; 'the most rapid rate of growth in trade has been between the industrialized countries'.[5]

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[1] In the joint UNITAR/CEESTEM (Centro de Estudios Economicos y sociates del tercer mundo, Mexico) Project 33, NIEO issue areas are divided into five categories: development financing, international trade, industrialization and technology, food and natural resources, institutional and organizational policies, and social issues.

A content analysis of the original resolution of 1 May, 1974, of the UN General Assembly (Resolution 3201-S-VI at the Sixth Special Session), quoted by Roy Preiswerk in his 'Le novel ordre economique international, est-il nouveun?', *Etudes Internationales*, Quebec, 1977, pp. 648–659, shows a predominance of associative relations and concepts relative to dissociative concepts. The former (such as cooperation, interdependence) occur 79 times, and the latter (such as sovereignty, self-determination) occur 19 times.

[2] For further elaboration, see Johan Galtung, *Self-Reliance and Global Interdependence* (Ottawa: Canadian International Development Agency, 1978).

[3] For one account of how petro-dollars are spent, see 'Venezuela Begins to Question Spending', IHT, 5–6 August 1978, p. 5.

[4] Quoted from Torkild Kirstensen, 'Global Aspects of the Present Economic Crisis', SID North-South Roundtable.

[5] *Business Week*, 24 July 1978, p. 70.

The NIEO deals essentially with the relations between industrialized and developing countries at the global level (because, among other reasons, it is articulated in the UN between states or blocs of states). It is thus a *macro* approach to the problem of development. The BN approach, on the other hand, is a *micro* approach. It goes down to the level of the individual human being and, therefore, sees development in terms of the fulfilment of basic needs at the individual level. Some, like this author,[6] argue that that is the only level at which basic needs have to be met, if one has in mind basic *human* needs, not such abstractions as, for example, 'urban needs (for sewage), 'historical needs' (collectivization of the means of production), 'national needs' (for military defence or for a national language) – all of which are, at most, merely the necessary condition for meeting basic *human* needs.

It needs to be emphasized that the BN approach is meaningful only if it is accompanied by a list of needs. The list that comes out of the Programme of Action adopted at the 1976 ILO World Employment Conference, which divided needs into 'minimum requirements of a family for private consumption' (adequate food, shelter, clothing, household equipment, furniture) and 'essential services for the community at large' (safe drinking water, sanitation, public transport and health, educational and cultural facilities), is open to criticism on three counts: that it draws too rigid a line between private and public; that it allocates satisfiers (they are not needs) to these areas; and that it neglects non-material needs.

But however perfect the list, it must have a rider: *the first priority must always be given to those most in need.*[7]

In other words, BN approach would set priorities in production and distribution. It would give the first priority to the production of what is essential to meet human needs, and in such a way that it goes to meet the needs of the most needy. It would give a much lower priority to production of goods for other than human needs, for non-basic needs, and for the needs of those less in need (obvious examples of which are national airlines, cars, food too expensive to be within reach of the masses).

It should be emphasized, though, that 'lower priority' does not mean that these goods will never be produced, but only that they may be produced 'later', even 'much later'. There is nothing in the BN approach that strictly limits the concerns of a society to the satisfaction of basic needs – and certainly not at the lowest level. The BN approach does not call for asceticism or puritanism; all that it insists on is a certain order of priorities: first meet the basic needs of those most in need (assuming that the others have already

[6]See Johan Galtung, 'The Basic Needs Approaches', Paper for the GPID/IIUG Workshop on Needs, Berlin, May 1978.

[7]'Unto this last' of the Bible, later used by John Ruskin as the title of his famous book which had a profound influence on Mohandas K. Gandhi.

had their basic needs met), and then, *and only then,* go about satisfying other needs if they are felt. The basic theoretical and empirical question in connection with the BN approach has to do with the ordering of these pursuits in terms of time. The assumption is that the pursuit of non-basic needs will stand in the way of meeting basic needs.

NIEO versus BN approach: the issues, the parties

There are at least two aspects of any conflict formation: the *issues* and the *parties*. On the subject of the relation between NIEO and the BN approach, on the level of issues the questions to be asked are: Is it theoretically possible to implement both the NIEO and BN approaches at the same time and at the same place (compatibility)? Or do they in some ways exclude each other simply because one comes in the way of the other (contradiction or conflict)? At the level of the parties, the set of questions is different: What kind of actors (individuals, groups and classes of individuals; states, groups and classes of states) favour one or the other? How do these actors relate to each other on other issues? How will this spill over into the relationship between the NIEO and BN approaches?

In discussing the issues, we shall first present the BN critique of NIEO and then the NIEO critique of BN.

BN critique of NIEO

We shall begin with a relatively abstract analysis detached from the concrete realities of today. It cannot be denied that the two approaches can be compatible, but under certain conditions. In the NIEO there is a *potential* for more economic surplus to accumulate in the Third World countries. But the far more important question is whether it is used to meet the basic needs of those most in need. Economic surplus, it is well known, can be used in several ways, depending on where in the society it is generated, who decides how it will be disposed of, and what kind of decision is made. To take it for granted that it will necessarily be used to meet basic needs is extremely naive.[8]

[8]The typical argument of Third World élites, heard in so many conferences, runs somewhat like this: The development agencies come and insist that funds, instead of being used for real development, should be spent on the uplift of the rural poor. But we have suffered for generations and can suffer for one or two generations more if necessary. One answer to this is that he (it is rarely a she) who talks in this vein hardly suffers much; the suffering is left to countless small people planting rice with their feet in mud and water under a scorching sun and exposed to diseases – and producing a surplus.

A more realistic understanding is that most people in control of the economy will tend to use it for what *they* see as the pressing needs – be they 'national needs', non–basic needs, or the needs of those less in need.[9]

In the *most optimistic model* imaginable, a society is so organized that much of the economic surplus remains at the level where it was generated. This can occur when, for instance, farmers are in control of land and workers of factories to the point where they can decide what to produce, how to distribute the produce, and how to dispose of the surplus. Under these conditions, it seems reasonable to assume that the hungry masses in the rural areas will prefer to produce food that can be eaten on the spot by themselves and their families. Lappè and Collins rightly observe:

> Hungry people can and will feed themselves if they are allowed to do so. If people are not feeding themselves, you can be sure powerful obstacles are in the way... the most fundamental constraint to food self–reliance is that the majority of the people are not themselves in control of the production process and, therefore, more and more frequently do not even participate.[10]

Similarly, workers will prefer to produce things that can be used for meeting basic needs, particularly in connection with farming, thus relating their activities to those of the farmers, guaranteeing to both themselves and the farmers at least a minimum in the way of food, clothing and shelter (shelter being a typical item for farmer–worker direct cooperation).[11]

It may be argued that this does not take care of medical services and schooling, so one would add to the model the idea that the surplus generated on, or siphoned into, the top of society will trickle down in the form of free and easily accessible facilities in these two fields.

In contrast to this, the *most pessimistic model* is a society so organized that the surplus generated at the bottom not only 'trickles up' but is pumped upwards through the powerful mechanism of élite ownership (private or state) into the centres of control located in the country's capital or in the world economic centres.[12] As to the economic surplus entering the top layer, the élites keep it for themselves, using it for purposes different from those of the BN approach. Evidently, whereas in the former case one might envisage a

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[9]For further elaboration, see Galtung (f.n. 2), ch. 2, 'Poor Countries vs. Rich, Poor People vs. Rich: Whom Will NIEO Benefit?'

[10]Frances Moore Lappe and Joseph Collins, *Food First* (New York, 1977) and *Diet for a Small Planet* (Ballantine Books, 1975), revised ed.

[11]China has made use of this kind of emphasis for many years, exchanging these satisfiers between agricultural and industrial actors.

[12]We are thinking of, for instance, trade surplus (knowing that this is 'surplus' in another sense of the word) and the surplus generated by people high up in the tertiary sector in the form of patent fees, honoraria, bribes of some magnitude, etc.

convergence between the living conditions of the élites and the masses, in the latter case a divergence will be unavoidable.[13]

To one who thinks that the pessimistic model gives a more realistic picture of a majority of Third World countries today, the NIEO and BN approaches will appear to be, in fact, contradictory. It may be argued, however, that NIEO has not created this situation in the Third World; indeed, it is to correct this situation that NIEO has been proposed. NIEO is an *inter*–national arrangement, and all that needs to be done is to complement it with corresponding *intra*–national measures to make the picture conform to the 'optimistic' model.

But to proceed with the argument. NIEO cannot but affect the international situation. For one thing, NIEO may stimulate international trade. (We say 'may', not 'will' advisedly; for no one can say what course the total volume of world trade would take.[14]) This will cause an increasing proportion of the economic factors of Third World countries to be steered in the direction of producing exportable goods. This means that a higher priority will be given to the use of, for instance, soil for the production of commodities for export than to its use for the production of food for direct consumption; coffee rather than black beans, to use the oft–quoted Brazilian example. It also means that an increasing production of the economic cycle in the country will pass through a narrow and easily controlled gate: the major import–export facilities (ports, airports, border crossing–points) and banking facilities as well as other financial instruments.

Since these points can be controlled by a small number of people, themselves controlled by private and state leadership, this will result in increasingly centralized control of the entire economic machinery. As a contrast to this, imagine a country based on a high level of local self–reliance, production for consumption mainly on the spot, exchange between these units when there is surplus production, low level of external trade, even low level of monetization of the economic cycle – an economic obviously much more difficult to control centrally. Now, which of the two types of countries would be able to move easily to satisfy the basic needs of those most in need?

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[13]The economic growth of a country as a whole, combined with an account of the disposal of surpluses, gives much information about the total situation. Thus, if economic growth is high, it *may* compensate for the divergence between elites and masses, giving a slight uplift to the poor. Conversely, if economic growth is very low, a convergence between the élite and masses may offer little comfort to the latter. Basic here, however, are less primitive conceptions of 'economic growth' than those embedded in GNP–type concepts, more in the direction of basic needs satisfiers in physical terms.

[14]*Business Week* (f.n. 5) talks in terms of 'the intensifying competition for the lower–growing world trade pie [leading] to an alarming rise in protectionism that is slowing [down] world trade (p. 70).

Again, the answer will, to a large extent, depend on the kind of decision the élites take. If past experience is any guide, the outlook is not very bright. The élites might decide to convert much of the net earned income into means of control of possible external (and even more so, internal) enemies – in other words, the police and the army. For a very good reason, too; for the gap between expectations raised by NIEO and the continuation of the sad reality concerning basic needs may be intolerable for certain segments of the population, which might then try all means within its power to change the regime.

This is as far as one can carry the argument based on informed doubt about NIEO at present. This argument is perhaps inspired by empirical information about the Third World countries that were the first to benefit from increased income due to the increased prices for their commodities.[15] In short, the conclusion would be something like this: No doubt there are great possibilities of compatibility between the NIEO and BN approaches, but there are possibilities also of contradiction, depending on the international structure. In a brilliant analysis of this structure, Samir Amin observes:

> The incredible resistance of the developed world to this reduction [of the inequality of the international division of labour] is evidence that the center, despite so many misleading speeches, cannot do without the pillage of the Third World. If that pillage were to stop, the center would be forced to adjust to a new, less equal international division of labour. Then, and only then, could one begin to speak of a genuine world order, and not merely of new terms of the unequal international division of labour.[16]

The NIEO critique of BN approach

The Third World arguments against the BN approach, heard in conferences where the two 'Grand Designs' are discussed, can be summed up in six propositions:[17]

1. *The BN approach is an effort to sidetrack the NIEO issue.* The real issue

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[15]There is hardly any difference between petro-dollars and NIEO-dollars in general; the economics of recycling should be about the same, given stabilities in intra- and international structures.

[16]Samir Amin, 'Self-Reliance and the New International Economic Order', *Monthly Review*, July–August 1977, pp. 1–21.

[17]In the paper, 'Basic Needs: the British Position', circulated at the SID North–South Roundtable in Rome, 18–20 May, 1978, three of these arguments are summed up in a passage (brought to my notice after this article was written): 'First, a number of them [developing countries] see the espousal of basic needs by the developed countries as a tactic designed to divert attention away from other North–South dialogue issues, such as commodity reform and debt, to which they attach great importance. Second, some developing

is international economic justice, and to throw in the BN approach is an effort to widen the agenda – possibly to insinuate into the essentially political discussion a *condition prealable*: No NIEO concessions to be given before BN policies are adopted. Since the First World is sceptical of the Third World ability to implement such policies, this amounts to postponing NIEO concessions or conventions indefinitely.

It is hardly relevant in this connection to argue, for instance, that the BN approach dates back to 1972 while the NIEO cannot claim to go farther back than the Sixth Special Session of the UN in 1974, and that therefore BN approach cannot be said to be an afterthought pregnant with ulterior motives. The reason why this is beside the point is that neither approach can be said to have a definite birth-date. Both are, rather, names of trends that have been operating in the world for a long time. NIEO can be traced back to UNCTAD I (Geneva, 1964), and the genesis of BN approach can be traced to social welfare policies pursued in welfare states and rooted in the compassion for the lowest and the most underprivileged and unfortunate found in many religions. The question is not whether some key points on the socio-political trajectories of these two approaches can be neatly ordered in time; the question is how the two approaches are used politically. NIEO is seen as a codification of a kind of *inter*-national social justice, whereas the BN approach is concerned with *intra*-national social justice (inside Third World countries). If the BN approach had taken within its purview and made it applicable to the whole world, with the focus on non-material needs as sharp as it is on material needs, so that the shortcomings in the First World showed up as clearly as those in the Third World,[18] then NIEO and BN approaches might be seen as two independent issues. The way the BN approach has been launched, and applied predominantly *only* to the Third World, the Third World has every reason to regard it as a ploy for side-tracking the world economic issue raised by NIEO.

2. *The BN approach is a new way of legitimizing external intervention.* Most Third World countries are former colonies; large parts of the Third World

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countries object to the interference in sensitive domestic, political and economic issues which they believe the basic needs approach implies, and which conflicts with the demands in various North-South dialogue for a automatic transfer of aid without conditions. Third, some countries object to "basic needs" as an anti-growth strategy.' And the paper adds: 'Our minister tends to share this view.'

[18]For one very tentative summary of some of these shortcomings, see Johan Galtung and Monica Wemegah, 'Overdevelopment and Alternative Ways of Life in Rich Countries', a paper based on a workshop on this theme for the GPID Project of the UN University, and presented at the SID North-South Roundtable, Rome 18-20 May, 1978.

still are neo-colonies. Colonialism is gone, and neo-colonialism will also go.[19] So now comes the BN approach to legitimize intervention when military-political formulas will cease to work and direct economic investment will be threatened. Basic needs, like basic rights, attach to *individuals* in Western thinking,[20] which means that it is only at the individual level that their satisfaction can be monitored. The Third World posits against this the primacy of basic *national* needs and *national* rights as codified in the Charter of Economic Rights and Duties of States. National needs and rights are claimed, satisfied or left unsatisfied in the international context. The Third World insistence that it is up to the Third World countries to decide, severally or collectively, how best to use this basic national right intranationally is clearly an anti-interventionist position. It does not say, 'We shall continue to exploit our masses, and it is none of your business.' It only says, 'Whatever we do inside our countries is none of your business.' In the light of past history, the First World's disavowal of interventionist intentions does not carry conviction, nor does its protestation that the BN approach will not have any unintended consequences. For it is clear that a BN clause added to a NIEO agreement might mean that a number of NIEO components (for example, a decrease in debt burdens, an increase in ODA) would be made conditional on the implementation of BN policies. This implies that implementation (necessarily at the individual level) inside Third World nations would be monitored by some international agency. One can easily imagine an international bureaucracy set up to supervise such agreements. However the agency might be staffed, the cycles of reporting and decision-making would have to pass through the First World centres to make sense of monitoring. On this reasoning, the First World can be suspected of supporting the BN approach precisely because other historically familiar handles of intervention are slipping.

3. *The BN approach is an instrument to enlarge the First World's market in the Third World.* The First World fears that NIEO will increase, perhaps greatly, the Third World competitive capability in the world market. The Third World supply of goods may increasingly be sufficient to meet Third

[19]The end of neo-colonialism means the end of the present form of economic penetration into the South by the North, based on transnational corporations. The accumulation through transfer of a sufficient amount of capital goods to the South (which may be soon) will be followed by nationalization. Because of massive transfer of technology, however, the westernization of the South will continue unabated – may be, even accelerated under local administration.

[20]See Johan Galtung and Anders Wirak, 'On the Relationship between Basic Needs and Basic Rights', UNESCO, 19–23, June, 1978.

World demand, thereby closing *de facto* the Third World market to First World exports. (The *de facto* closure could be also made *de jure* before or after, or independently of, the *de facto* closure.) Some way will, therefore, have to be found to so relate the growth of Third World supply to the growth of Third World demand that a substantial portion of demand was still left unsatisfied.

This can be done in several ways. For instance, the revolution of rising expectations (increasing the middle-class demand for goods) is one, population control (reducing the number of those with needs but without effective demand) is another, and the BN approach may be a third. Indeed, the BN approach may, in fact, succeed in doing what population control largely failed to do. If one hears less about the population explosion today than one did some years ago, it may be because the First World has realized that the explosion is not all that bad: after all, the teeming millions are *potential* customers! All that need be done to convert them into *actual* customers is to bring them to a certain economic level so that, with their increased purchasing power, they can express their needs in terms of effective demand. And this is where the BN approach comes in. Instead of aiming at raising the expectations of the middle class, why not aim at raising the purchasing power of the vast Third World proletariat – in the countryside and in the city slums, living on the fringe of the money economy (as distinguished from self-supporting farmers, nomads and other groups that live outside this economy), in numbers much more promising than the middle classes ever were.'[21]

It is not difficult to visualize the implications of this type of reasoning. The BN approach would provide what is needed for the satisfaction of basic needs from the market. For the rest, schooling provided free; medical services, likewise free; meals, free or highly subsidized (in canteens, maybe). The list could be extended to cover basic clothing and basic housing. From single individuals the gains may be next to nothing, but from a country as a whole they could be something to be satisfied with. It is the First World that would be contracted to build the infrastructure for all these services, presumably to be provided by the state. The payments would be made from out of the increased assets resulting from the NIEO – a neat way of recycling NIEO-dollars via the BN formula.

There is also the possibility of marketing what is needed to meet basic needs; international agribusiness, construction business, textile business and pharmaceuticals are already in the field. (The field of school materials, however, does not seem, as yet, to be so effectively transnationalized, educational video-cassettes being a possible exception.) For all this to become a

[21]The poor may be well worth investing in, as can be seen by examining the products for sale in the poorest sections of the poor countries.

large-scale business at the level of those more, if not most, in need, two things have to happen: prices have to be lowered and the purchasing power of those at the bottom has to be raised. As the former can be, at least potentially, a function of the latter, a beginning might be made with efforts to raise purchasing power. One way of doing this is through higher guaranteed minimum wages and full employment – in other words, the kind of approach that ILO advocates. And where is the money for this to come from? Why, from the income accruing to the Third World countries from a more just international economic order and from big transnational corporations catering to the people most in need, who will now be knocking at the doors of the market in the language the market understands: coins, later on bills, and then, maybe, cheques.

Whether it is the market device (for some of the basic needs) or the non-market device (for other needs), or a combination of both, that may be used, it will prepare the ground for a *planetary bargain*: 'We give you the NIEO, you give us the right to compete with you in your own market for the satisfaction of basic needs.' Needless to say, this extremely limited perspective on basic needs (confined to material needs) totally disregards the issue of identity; the urge to be master of one's own situation; to be a subject, and not merely an object. As to freedom, the proponents of this new strategy for the First World penetration into the Third World via the BN formula would claim that the monetized approach offers more freedom of choice than is possible when basic needs are satisfied through deliveries in kind.[22] They would further argue that a person should not only be given a choice in consumer goods, several brands of food, several types of clothes, but also enabled to decide his/her own trade-off formula between food and clothes, given a minimum income.[23] One can very well imagine transnational corporations making 'basic-needs packages', containing food, textiles, drugs and some educational material in proportions to be decided by the customer, given the price-range of the package. If that formula, or some other similar formula, works, there might be room for an accelerating population explosion.[24]

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[22]If the monetized approach implies a market under non-monopolistic conditions, then there will tend to be several brands of the same product, e.g. in medicine. For the sake of differentiation, trade marks then become essential. For one analysis of this process, see Peter O'Brien, 'The International Trademark System and the Developing Countries', in IDEA, The Journal of Law and Technology, 1978, pp. 89–122.

[23]The diversity in clothing among the lower 10% in capitalist countries, in contrast to such countries as the Soviet Union and China (and in these countries, not only the lower 10%), is a good example. For the top élites, there will always be a wide choice (that is the age-old prerogative of the élite!).

[24]It can be predicted that the interest in population control will decline if Western economic penetration continues.

4. *The BN approach is intended to slow down the growth of Third World economies.* Generally speaking, there are two approaches to most problems that concern the Third World today: one aims at strengthening the weaker states/countries, and the other aims at strengthening the weakest individuals in those territorial units. This is very clearly seen in the choice of technologies. On the one hand, there are the capital-intensive, labour-extensive, research-intensive and administration-intensive technologies that might eventually make it possible for Third World countries to play the First World game according to rules made by the First World. On the other hand, there are the capital-extensive, labour-intensive, research-extensive and administration-extensive technologies that are much more relevant for the satisfaction of the basic needs of those most in need.[25] The first approach is, for obvious reasons, the approach of the national élites; the second approach is, for equally obvious reasons, the approach of the less privileged groups, when, that is to say, left to themselves – such as the groups building China's people's communes in the beginning of the life-cycle of that institution.[26]

The first approach, which is highly capital-absorbing, may also be capital-generating. The second approach does not generate capital but other values, human values: restoration/strengthening of nature's ecological balance, autonomy, creativity, participation, etc. The two approaches cannot mix well because the two are mutually inconsonant. The extent to which local self-reliant communities can be incorporated in a national economic structure (i.e. one that uses capital-intensive technology and produces for exchange rather than for use) without being 'perverted' is strictly limited. Conversely, the extent to which self-reliant local communities (i.e. those that use capital-extensive technology and produce for use rather than for exchange) can go their own way without weakening the 'national purpose' (i.e. the capability of participating on an equal footing in the international game as defined by the First World) is strictly limited. The *self--reliant basic needs approach* redefines the national purpose. It involves rearrangement, not in the allocation of capital, but in the allocation of human and social energy, creativity, mobilization, etc.

The case of China is very instructive. A China in which the 70,000 communes, with their production for use rather than for exchange, dominate does not constitute much of a threat to the First World in terms of economic competition in the world market, although it makes it extremely difficult for the First World to penetrate economically into the Chinese market. A China

[25]See Johan Galtung, *Development, Environment and Technology* (Geneva: UNCTAD, 1978), particularly the beginning of ch. 2.

[26]With the change of leadership and the shift in policies, particularly the emphasis on more capital-intensive technology, one relatively safe prediction is that the people's communes will be abolished in favour of big state farms.

that changes over to an economy dominated by capital- and research-intensive technology – making use of a labour force of about 600 million – may, in the first run, cause some satisfaction in First World capitals (if only because it ceases to be a threat as an alternative model of development), but, in the second run, may cause considerable anxiety (because of its economic power). Such an apprehension has already been expressed: 'Every aspect of world economics and politics will be transformed if these educated new Chinese in the 1990s attain a level of productivity even approximately in accord with their ability, and hell knows if they don't.'[27] There is no doubt that, under certain conditions, a systematically pursued BN approach, whether or not based on local self-reliance as a major ingredient, may make the Third World less of a threat to First World economic hegemony.

The case of Germany and Japan, where the Western 'allied' powers followed different tactics is equally instructive. After some time the 'allies' realized that it was important that both be integrated into the military machine of the West, not only to benefit from their military tradition and experience, but also to reduce their economic competitive strength in the world market by forcing them to divert much more of their production factors in the military direction, including buying military wares from the West. (It should be noted that the military production and marketing system is protectionist; it is not an open world market but a market where one is expected to trade within an alliance, or at least not far outside it, the protection mechanisms being legitimized through concepts of security and secrecy.) This policy, however, failed to put an efficient brake on German and Japanese economic growth in the 1950s; for the integration of a country into a highly capital-intensive and research-intensive military machine tends to push the economic growth of the country along the same line, possibly after a time-lag of some years. If a country chooses the self-reliant path of development, it does not neglect its security, but relies for it, not on capital-intensive conventional army, but on guerrilla (possibly non-military) defence of a highly localized nature.[28]

5. *The BN approach is an effort to reduce technical assistance.* The capital component of BN approach – particularly if it is based on self-reliance, mobilizing local forces and resources, building on local traditions – is relatively minor. External technical assistance is, to a large extent, ruled out as antithetical to self-reliance. Just as the First World might like to push the BN expenses in general on to the Third World leadership, it might also like

[27]Norman Macrae *et al.*, 'Three People's China', *The Economist*, 31 December, 1977.
[28]See Johan Galtung, 'Military Formations and Social Formations: A Structural Analysis', *Papers* (Chair in Conflict and Peace Research, University of Oslo), No. 60.

to rid itself of obligations of technical assistance, thereby improving its own competitive capability. One cannot miss the hint in UK's position:

> Since our experience, and that of other donors who are trying to direct more aid towards the poor, suggests that there is a risk that at least initially rates of disbursement may fall, we will need to continue to finance other projects which are economically sound and to which developing countries attach priority if we are to disperse the UK aid programme as fully and effectively as possible.[29]

However this may be, it is clear that a systematic change in the BN direction would raise a number of questions in connection with any kind of project in a Third World country. These questions have, to some extent, been raised by the World Bank recently. But the relationship between the various BN approaches, on the one hand, and the quantum of ODA, on the other, is not yet quite clear.

6. *The BN approach is a weapon of defence against the poor.* The BN approach springs less from compassion for the poor than from fear of the poor. The poor are seen as a vast amorphous mass of people increasingly conscious and envious of what the First World has and desirous of getting it anyhow. It is the image of the 'hordes' knocking on the doors of Western affluence.[30] The more contemporary, political version of the same image – the communist subversion.

Together with this image comes the hypothesis that the danger is roughly proportionate to the poverty of the 'hordes', implying that a reduction in their number means a reduction of the danger. One way of reducing the number of the poor is through 'nature's regulatory devices' (earthquakes, tidal waves, floods, etc.), another is through genocide, yet another is through population control,[31] and, finally, the more 'positive' approach: reducing the number of the poor by making them less poor through the BN approach.

The point simply is that the BN approach is a mystification of clear global power politics. It aims at reducing the political power of the Third World through the elimination of a major power element used, sometimes discriminately and sometimes indiscriminately, during the last generation or so:

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[29] An understandable position, but it smacks of too much money in search of capital-intensive projects to fill the quota (particularly towards the end of the budget year), whether it helps people or not. It is sad to see a serious document referring to 'developing countries' attaching priorities when, in fact, it is certain that it is special groups in these countries that set the priorities. It would be less misleading to say 'delegates from developing countries'.

[30] The 'barbarians' of the Greeks and the Romans. The image has a long history in western thinking. The 'hordes' are usually yellow (not only of Attilla the Hun), the Turks, the communists, and now the Third World – all out to get 'our' riches!

[31] Historically, the rejection of Indira Gandhi in 1977 election in India may be seen as the first conscious rejection of this method of reducing the number of the poor.

the threat of communist subversion ('if more aid is not given, it cannot be ensured that the forces of subversion will be contained').

It may be noted parenthetically that the proposition that subversive 'aggression is proportionate to poverty' has not been proven. The historical experience is that very poor people tend to be apathetic because, among other reasons, of lack of resources, and that it is only when they manage, in one way or another, to move out of poverty that they can begin to think of revolution.[32] Nonetheless, it is generally believed that the proposition cannot be dismissed as one out of touch with reality. From the beginning, First World technical assistance has been urged and justified on the ground that it prevents conflicts from escalating and eventually becoming a threat to First World countries themselves. Hesitant parliaments have used this argument in defence of technical assistance. This idiom has been found to be more convincing and effective than the humanitarian idiom – or even the developmental idiom for that matter. Technical assistance without doubt plays a part in foreign commercial policy, as a way (through tied aid) of steering the flow of orders from the periphery to the centre and as a way of creating goodwill in the wake of which general trade treaties might be more easily forged. Technical assistance is also used as an instrument in foreign-power policy, for shaping alliances to cope with present and future conflicts. The BN approach is a variation on this – only more refined, more directly aimed at the exact point inside societies from which a conflict is likely to emanate. Whether the assumption is right or wrong is not important. What is important is that it is *believed* to be correct by a sufficient number of decision-makers in the First World.

Having examined the issues in the debate between the NIEO and BN advocates, we may now look at the *parties* involved in the debate.

NIEO–BN debate: the parties

It is clear that the polarization is between the First World and the Third World, with the Second (Socialist) World sitting, generally speaking, on the fence. To put it differently, there is a contradiction between the centre (the capitalist world) and the periphery (the developing part of the world). This contradiction was brought about by historical circumstances but is still being built into the world structure. The Third World – or, to be more precise, the Third World élites – calls for NIEO; the First World (both élites and masses) is far from enthusiastic and tends to say, with a former US secretary of state,

[32] See Johan Galtung, 'A Structural Theory of Revolutions', in *Essays in Peace Research*, Vol. III (Copenhagen: Ejlers, 1978), pp. 268–314.

that 'the present world system has served us well' (us may also be written US). It looks for arguments against a redistribution of the world income. One such argument is the BN approach: 'What is the good of NIEO? It will only enrich the Third World élites. Look at the way they treat their own people.'[33] This type of argument is most articulated in the Protestant northern fringe of the First World, perhaps by upper middle class intellectuals with an oversensitive conscience, who show far more concern for economic development oriented to the needs of those most in need (unlike their hardened compeers far less worried about the plight of the masses) than for their own disproportionate share of the world income. Naturally, they seize upon any argument they can find against NIEO. This process has already started, the World Bank having been among the first to articulate some kind of BN approach.[34]

That the Third World would hit back was only to be expected. But one hopes that this would make for an honest searching debate on the fundamental issues involved. The quality and validity of an argument lie in the eye of the beholder. To the Third World, the need for NIEO (in sum, a fairer distribution of the global wealth) is, not only conceptually but also in terms of basic norms of social justice, too obvious to need pleading. Similarly, to BN advocates nothing can be more sound or more reasonable in human terms than the uplift of those most in need. They would concede, of course, that the criteria and methods were open to discussion, but not the fundamental goal of the elimination of poverty. Both parties tend to view the opposition of the other as a subterfuge for pure self-serving. One can predict that the First World would dismiss the Third World argument in favour of NIEO as a disingenuous plea for ensuring privileges to Third World élites; and the Third World would regard the First World argument in favour of BN as a justification, equally disingenuous, of preserving the First World privileges at the international level.

We are now set to examine whether the NIEO and BN approaches are compatible or conflicting and in what sense and to what extent. But before we engage ourselves in that exercise, it may be useful to take stock of what has been said so far.

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[33]This constitutes the basis for a red-black alliance in the North between those highly critical of many 'developmentalist regimes in the South (because of the sharpness of class contradictions) and those who want the continuation of the *status quo* in both intra- and inter-national structures.

[34]In the paper cited in f.n. 17, it is stated that 'The ILO is the multilateral agency which has been most heavily engaged on basic needs since drawing up the Declaration of Principles and Programme of Action for the World Employment Conference. The Phrase "basic needs" was largely its invention.' The last statement is incorrect. The ILO Conference was held in 1976, whereas MacNamara's speech in which this phrase occurs had been made in 1972.

On the plane of issues, the six arguments brought up against the BN approach all converge to make the point that the BN approach is more than meets the eye, that it is not what it is dressed up to look like, and that there are other things behind and underneath. These are probings into the motivation of the BN approach. Understandably, for NIEO affects the interests in the old international economic order and is used to define parties and actors in a conflict of interests. The arguments against NIEO are directed against NIEO as it has been presented. The arguments against the BN approach seem to have been generated by the arguments against NIEO – in other words, third generation arguments. It is possible that if a consistent BN approach had been presented first (i.e. if the World Employment Conference of 1976 had been held before the Sixth Special Session of the UN General Assembly on 1 May 1974), then the nature and order of arguments would have been different. On the plane of parties, what is noteworthy is that although the issues are *debated* by different political actors, all essentially refer to the same actor – the Third World, the assumption (fallacious, as will become clear later) being that the Third World is debatable but the First World is not.

Conclusion: NIEO and BN contradictory or compatible?

The answer depends on whether NIEO is interpreted in a shallow sense (i.e. without involving intranational transformation) or in a deeper sense (i.e. requiring at least some measures of intranational transformation). It depends, too, on whether BN is interpreted in a shallow sense (i.e. with non-material needs kept out) or in a deeper sense (requiring the inclusion of non-material needs). Finer distinctions could admittedly be made, but these are sufficient to summarize the foregoing discussion as under:

		NIEO without intranational transformation	NIEO with intranational transformation
BN	without non-material needs	A : Compatibility	C : Compatibility
BN	with non-material needs	B : Contradiction	D : Compatibility

To spell out the table:

A : Compatibility, in the sense that the satisfaction of basic needs is managerially possible. It depends on the manner of 'recycling NIEO-dollars for basic needs', from the top down, with or without First World participation.
B : Contradiction, the most important non-material needs in this connection are autonomy, being subject rather than object, having a major say in one's own situation as opposed to being a client/consumer. This applies also to the rich countries that have been the beneficiaries of the old international economic order.[35]
C : Compatibility, in the sense that the surplus generated locally will, to a large extent, remain at the bottom, and the surplus generated at, or entering, the top will trickle down. The combination is a 'soul-less' one; it is economistic, not taking non-material concerns into consideration.
D : Compatibility, in an optimal combination. There is a transformation of the intranational order that permits a richer perspective of basic needs to come into play.

This raises the question of where the total world system is heading. As seen from the point of view of the way the United Nations' machinery is processing the two concepts of NIEO and BN, it seems to be heading towards the combination A. The UN being an intergovernmental machinery,[36] it will have a tendency to focus on inter- rather than intra-national transformation (although the situation is not very clear-cut). It would be easy to obtain a majority for *inter*-national transformation[37] when the majority of member-countries are victims of the old international economic order that dominates the world. This can then be combined with a majority against mandatory *intra*-national transformations, except for minor matters, under the general formula of non-intervention in national sovereignty – assuming that there is sufficient solidarity among the victims of the old international economic order.

At the same time, the UN machinery will probably continue to concentrate on the shallow interpretation of basic needs (i.e. without including non-material needs). There could be another possibility, though: the UN concern with human rights may lead to a broadening of the concept, through the basic-

[35]The 'welfare state' in the rich countries shows that basic material needs can be satisfied within the framework of a top-heavy society, while needs for identity and freedom in a broad sense cannot. Hence the great paradox: as somatic health improves (judging by the indicator of longevity), mental health seems to deteriorate.
[36]As an intergovernmental machinery, the UN is capable of articulating issues between governments, but it is very poor at articulating intra-national issues – the latter are overshadowed, and even mystified, by the former. In consequence, it will tend to focus on the shallow interpretations of both NIEO and BN.
[37]A major transformation, too, considering that it is connected with regulating the whole flow of surplus inside societies.

needs concern of such organizations as the ILO and the UNICEF.[38] But one must reckon with the pervasive influence of the hierarchy principle: *first*, material needs and *then* non-material needs. It is easier to obtain a consensus on material than on non-material needs. Around this formulation various types of ideologies (liberalism and Marxism,[39] for instance) can be brought together, bridges can be built between East and West, North and South. To achieve a consensus, the temptation to strip the concepts of BN and NIEO of its richness must be great. The deeper interpretation of the concepts are just too painful! This dénouement is bound to disappoint those to whom both NIEO and BN have much richer connotations. The rhetoric to be heard will doubtless be that of D (see table), the reality will be akin to A. But is it possible to move from A towards D to make the reality correspond better to the rhetoric?

One approach is obvious: never to give in to the shallow interpretations of NIEO and BN, always insisting that NIEO is meaningful only with intra-national transformations and BN only with the inclusion of non-material needs. The nature of the transformation and the non-material needs will be open to discussion, of course. It is obvious that the interpretations will vary according to the concrete situation in time and place; but one must guard oneself against being duped by these obvious considerations into facile compromises with the shallow interpretation of either. For the most likely outcome of compromises can only be that even material needs will be left unsatisfied, and even if satisfied they will be satisfied in a managerial, even corporate, fashion.

But neither should one succumb to the polarization that now seems to be crystallizing, with the Third World élites standing for a shallow NIEO interpretation and the First World for a shallow BN interpretation. One way of reorienting this debate would be to insist on symmetry: both parties must see the broad interpretations of NIEO and of BN as applicable to *all parts of the world*. There are some obvious transformations that will have to take place in the First World if NIEO is to be really implemented, such as more emphasis on agriculture again; probably much more emphasis on local energy production; more emphasis on local, national, subregional and regional self-reliance; even self-sufficiency in some fields. There will probably have to be an orientation towards other life-styles, more compatible with the objective situation brought about by NIEO. As for BN, both parties could use the full spectrum of basic human needs – such as security needs, welfare needs,

[38] The location of these in Geneva would facilitate this. The WHO could also be brought into the picture, particularly its Office of Mental Health.

[39] See Johan Galtung and Anders Wirak, *Human Needs, Human Rights and the Theory of Development* (UNESCO, Division of Social Sciences, 1977).

identity needs, freedom needs[40] – and discuss the situation both in their own and in other countries. This would certainly widen the agenda; but care must be taken to keep in check the propensity to score points, as against the adversary in a conflict ('*You* have to undertake basic internal structural reform,' 'What about the mental illness rates in *your* country?'). This, however, puts no bar on self-criticism and criticism by others in an effort to improve the social order everywhere.

Then there is another, much more action-oriented approach. The basic formula that may transcend the present contradiction between the New International Economic Order and the Basic Needs approach is probably *self-reliance*. Self-reliance here is understood to mean a three-pronged approach: regional self-reliance, national self-reliance *and* local self-reliance.[41] Self-reliance would mean raising the level of self-sufficiency and cooperation with others. Thus, regional self-reliance in the Third World, for example (the region being the Third World as a whole, the continental subdivisions, the subcontinental possibilities), would mean not only a much higher level of Third World production for its own consumption, but also a change in the pattern of exchange with the 'developed' parts of the world towards more equity. The old pattern of exporting commodities in return for manufactured goods and services – even with the terms of trade not only stable but also improved – would gradually recede into the background in favour of trade of commodities against commodities, manufactures against manufactures, services against services (intrasector trade). In other words, regional self-reliance at this level would pick up the aspects of NIEO that are more oriented towards South-South trade and increased control by the South of economic structures in general, de-emphasize the terms-of-trade approach in relation to the North, and go in for truly equitable North-South trade.

However, even with all this there would be no guarantee against the stronger countries in the South exploiting the weaker ones. Hence *national* self-reliance as a safeguard against such aggrandizement. The reasoning can be extended: national self-reliance provides no guarantee against national élites exploiting their own masses, hence local self-reliance as a similar protective shield. (This shield is admittedly less strong, since there is much less of institutional protection for local units than for national units. For one thing, they do not have secure and/or defendable borders. For another, they do not have armies – often not even distinct identities that would

[40]For a tentative definition of these four need-areas, see Johan Galtung, 'The Basic Needs Approach', prepared for the GPID-IIUG Workshop on Needs, Berlin West, May 1978.

[41]See Johan Galtung, Roy Preiswerk, Peter O'Brien (eds.), *Self-Reliance* (St. Saphorin: Georgy, 1978).

motivate any kind of defence.[42]) But the character of local self-reliance would be the same: increased local self-sufficiency, combined with horizontal exchange with other units at the same level (in a future world, not necessarily only other units in the same country).[43]

If the local unit is to carry the burden of self-reliance alone, it is doubtful whether it would be able to create a sustainable material base in most parts of the world. The national unit as an equalizer that could level out the sharp differences in economic geography in space and in the annual cycles (not only in agriculture, but also in the distribution of natural calamities) is crucial. But self-reliance at the national level alone, as experience has clearly shown, is not enough to achieve a more just, a more equitable international economic order as envisaged in the NIEO designs. Hence the need for self-reliance at the regional, national and local levels at the same time, the rationale being that the regional level is best suited for the NIEO approach and the local level for the BN approach, on both material and non-material dimensions. The national level entity will have to be reorganized both upwards and downwards; it will have to integrate with other units at the same level for collective solidarity action and restructure itself so that local level units are given a chance to unfold themselves.[44]

Admittedly, this is an abstract formula, and this is not the place to develop all the details to give it flesh. But it should be made clear how apparent contradictions can be resolved. In the present world, short both on strong regional machineries (with the exception of the OPEC cartel action) and on structural transformations that would vest more autonomy at the local level, not only in political but also in economic and socio-cultural affairs, the NIEO and BN approaches may become more contradictory than they would be in a world differently organized. Hence, the task is to understand these relations better, not to feel that one must be against one or the other or both because of the very real issues involved and the equally real conflict polarizations.

For, regardless of the strong arguments that can be raised against these approaches seen in isolation and divorced from the broader political and historical context, there are extremely strong forces behind both. Seen in a UN perspective, it may be said that they both represent a third phase in United

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[42]This may be the reason why the most promising of these entities have an ethnic identity. In the case of a multinational state the liberation struggle becomes a struggle for national as well as local self-reliance.

[43]The *Sarvodaya* movement in Sri Lanka has contacts with villages in 16 countries of the world.

[44]At this point some new formulas, building on the old concepts of federalist thought, will have to be found.

Nations development strategies. The first phase was *the import substitution phase* (developing countries have to produce themselves rather than import from developed countries), a phase motivated, among other things, by the perceived deteriorating terms of trade, with the United Nations Economic Commission for Latin America (CEPAL) providing the theoretical underpinnings. The second phase, partly growing out of frustration with the first one (manufactured goods produced in developing countries tended to become even more expensive) can be characterized as *the commodity export phase*, motivated by the 'need' to earn foreign currency. This phase was, of course, more popular with the First World countries as it promoted their interest in exactly this type of trade. But there two basic problems: on the one hand, it became increasingly clear that somehow the developing countries were cheated in the bargain, that world resources were distributed highly asymmetrically in favour of the developed countries by this kind of arrangement (a polite way of saying that there was exploitation at work); and, on the other hand, it became equally clear that the masses in general were the losers. (For reasons mentioned in the introduction the internal gaps widened and misery increased.) The responses to these two problems, in a sense created by the same structure and the same process, were, in our view, the New International Economic Order and the Basic Needs approach. And this heralds the beginning of the third phase.[45]

The two approaches must be recognized for what they are: political movements, created and crystallized by particular historical situations. One can be against them or in favour of them, but one must recognize that they simply *are*, they *exist*, they *unfold* themselves like tidal waves. The political task is to help steer this tremendous political energy in directions that serve true human and social development, to deepen them and to find ways of resolving the contradictions between them.[46]

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[45]Andre Gunder Frank, in an interview to *Dritter Welt*, November 1976, suggests that we are now in the exports substitution phase, meaning by this that some Third World countries produce for the world market cheap consumer goods – cheap because of the combination of cheap labour with high labour-productivity. This corresponds well with Dale Jorgenson's thesis that since 1973 the productivity of capital has been reduced relative to labour, benefiting countries with cheap but well-trained labour (but not necessarily benefiting those workers, which US economists tend to forget). But this hardly reftects the UN policy.

[46]For some suggestions, see P. Streeten, 'Basic Needs and the NIEO: Must there be a conflict?', Report World Bank, March-April 1978, p. 3.